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THE

Credit Union

EXCHANGE

Bridge

OFFICIAL PUBLICATION OF THE CREDIT UNION NATIONAL ASSOCIATION, INC.

ON THE COVER

Three new leagues were admitted to CUNA last month—Chile, British Guiana and Trinidad. In the cover picture, Rev. Marion Ganey discusses the problems of new credit union leagues in the Pacific with Fred Stahl, member of the CUNA international study committee.

The Credit Union

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COMING SOON

Loan shark drive in Texas

The problem of thrift

EVERY MAN AN

ORGANIZER

This small Utah credit union sets a bold example. Every board and committee member aims to organize a credit union.

IF they were big enough to have their own office, Cobalt Employees' Credit Union in Magna, Utah, could hang this sign above the door: "We give twenty-four hour service on organizing credit unions."

This wouldn't mean that they can pull a credit union out of a hat for you. But at any hour, day or night, anywhere in the Great Salt Lake area, a Cobalt officer or director is on call to help organize a credit union for anybody who's interested.

When they aren't out organizing credit unions, these young men are busily building what they think is the best small young credit union in the movement. They may be right.

In just over two years they have grown to \$50,000 assets and 115 members. Their credit union never will be large. If you want to be optimistic, you might forecast eventual asset size of between \$75,000 and \$100,000 and membership of 125 to 150. This credit union serves employees and families of Calera Mining Company, a small outfit that refines dirty ore into cold gray but-

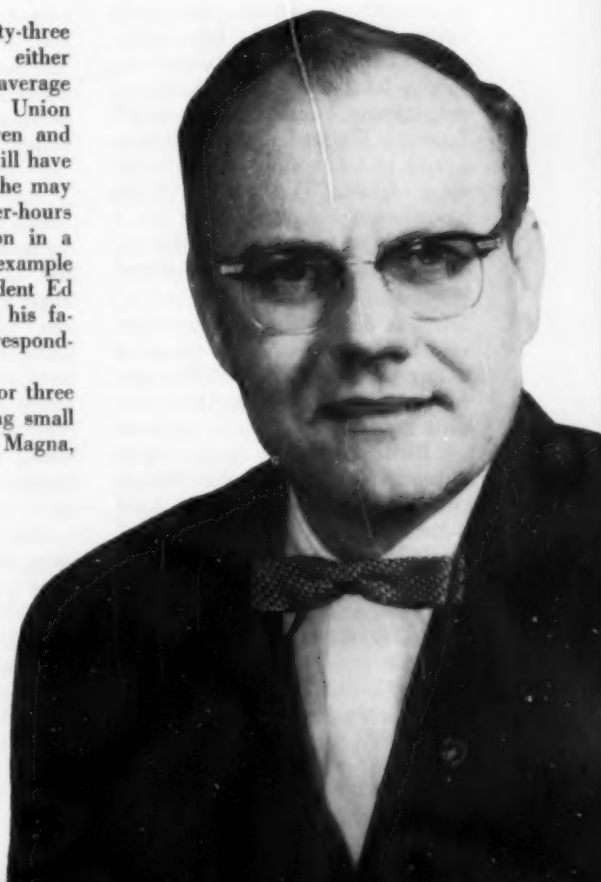
ton-shaped hunks of an increasingly precious metal, cobalt.

The leaders of Cobalt Employees' Credit Union are bears for work. In addition to organizing credit unions and running their own bustling shop, they have asked for and filled important assignments on the chapter, league and even national level. The outsider wonders: What ticks inside these men to drive them to such accomplishments?

They are men around thirty-three years of age, veterans of either World War II or Korea. The average Cobalt Employees' Credit Union member will have 3.4 children and will earn \$450 a month. He will have a high school education, but he may be spending money and after-hours time continuing his education in a correspondence course. An example of this is credit union president Ed McMillin, who sold some of his favorite guns to pay for a correspondence course in electronics.

These men drive cars two or three years old and they are buying small frame houses in the town of Magna,

Former President J. Paul White volunteered his credit union's services. The result: Seven members of the Founders' Club, more on the way.



which hugs the sparse flat ground beneath the mammoth Oquirrh (oh-kerr) mountains. A few miles away, clearly visible on a sunny day, is the Great Salt Lake, a dead, dwindling body of briny water. The compact plant of Calera Mining Company is seven miles from town, around a couple of bends in the mountain and jutting its blackened industrial face toward the crags above. Salt Lake City, the state's only metropolis, is east about twenty miles.

Most of these men are Utah natives—rugged, big, friendly men. They joined Calera Mining Company after the plant opened five years ago, leaving jobs as insurance salesmen, ordinance workers, carpenters, contractors. Most of them are Democrats, and maybe 75 percent are Mormons, members of the predominant church in Utah, the Church of Jesus Christ of Latter-Day Saints.

Little Space in Plant

All around Cobalt Employees' Credit Union are older, larger credit unions, some with full-time staffs, some with their own buildings. Cobalt's only space on plant ground is a loan application lockbox in the change room, some room on a corner bulletin board, and some free literature in the men's room. Under a gentlemen's agreement, no credit union officer will hold a labor union office at the same time. Under unwritten law, during work hours no credit union business is transacted. Treasurer William H. (Bill) Ungerer gets up at 4 a.m. daily to keep credit union books; President McMillin forked over his own money for a filing cabinet to keep his records in; board meetings are held in officers' homes.

It was during one of those meetings last summer in the home of former president J. Paul White that the volunteer organizing idea was born. Cobalt had invited to the meeting Richard Franzen, senior representative of the Utah State Credit Union League, who had a big hand in the success of Cobalt Employees' Credit Union.

After the board business was finished, Franzen started thinking out loud about one of the league's big problems: More requests to organize new credit unions than the league staff could handle. Nobody knows now who said it, but somebody (his

fellow officers say it was White) asked Franzen to consider the entire Cobalt board and committee group a permanent volunteer organizing committee. It was easy for the board to speak for the two committees, because the committeemen were present; they are required by Cobalt by-laws to attend board meetings.

Franzen admits now that Cobalt's response was just what he had hoped for. He says, "We had Cobalt in mind because we felt they had the most progressive and aggressive board in Utah. They seemed to feel that they had achieved something worth while and they wanted to help other credit unions achieve the same thing." White speaks of it as "carrying the credit union message to other groups."

It so happened that Franzen was loaded with leads for prospective credit unions. Earlier last year he had been loaned by the Utah league board to the Salt Lake area United Fund drive for six weeks. While there he had access to a complete list of Salt Lake firms which employed as many as fifty people. It was simple to check off those that had credit unions, leaving the remainder as good prospects.

The league furnished the leads and Cobalt furnished the manpower. Cobalt offered virtually twenty-four-hour service, because its officers and committeemen are mostly shift workers rotating between three eight-hour shifts with a four-day weekend each month.

Substitute Organizer

The goal was to enroll every director and committeeman in the Founders' Club. This took some doing; often a volunteer was able to hold one or two preliminary meetings with an interested group but would be on an inconvenient shift when actual organization time came. When this happened, another volunteer would fill in and take the charter. Organization credit, though, would go to the original contact man.

Once the league gives a lead on a prospective credit union, the interested group becomes the volunteer's "baby." He arranges, through the management of the involved firm, an introduction meeting with all potential members. This meeting usually takes about an hour. The volunteer, to use their phrase, "gives the pitch,"



then stands back to answer questions. At the close, he gets down to financing, explaining that he needs \$20 with an application for a state charter, \$10 going to the state banking commission, \$5 to the Secretary of State and \$5 to the county clerk for recording fees. While he calls for money, the volunteer also calls for at least ten persons to sign the application for incorporation.

Brent Bird, first treasurer of Cobalt Employees' Credit Union and one of the key figures in its organization, says, "Sometimes it takes two or three hours to arrange this incorporation meeting."

In about two weeks, the approved application comes back. Then an organization meeting is called. At this point a league fieldman re-enters the picture, going along with the volunteer organizer to explain the election of officers and the setting up of books. League Managing Director Karl S. Little says, "We have an agreement with all volunteer organizers that if they'll handle the charter application and take care of the follow-up, we'll fill in the technical information at the organization meeting. We don't think this should be left to volunteers."

After officers are elected and the general meeting breaks up, volunteer and fieldman stick around to attend the first board meeting. The volunteer places himself on full-time call by the new credit union, and usually agrees to attend the next couple of board meetings and possibly the first annual meeting. The new board is encouraged to address all questions to the volunteer organizer. For answers, the volunteer can turn to the



In the shadow of mighty Utah mountains, from a small, efficient plant, come button-like pellets of cobalt. The men of Calera Mining Company are young, ambitious, steady savers, frequent borrowers and constant credit union advertisers.

league's informational manual, a ring-bound notebook, containing all the basics of credit union organization and operation. Cobalt directors make it a point to read the informational manual, and they usually carry a copy to organization meetings to answer sticky questions. This is the extent of their formal preparation for organizing. Other than that, they have only their experience as credit union leaders and their recollections of chapter and league meetings.

At these same chapter and league meetings Cobalt directors have given other evidences of their dedication. They hosted one monthly meeting of the Salt Lake Area Chapter, saw one of their officers (White) elected chapter second vice president, saw another officer (McMillin) named to the league nominating committee and had another officer (Ungerer) nominated for the league auditing committee. Cobalt Employees' Credit Union, small though it is in assets, also believes in spending money to educate its officers. In January 1957, at the end of its first year, it paid expenses for five men to attend a twelve-week session on credit union management problems sponsored by the league one night a week at the University of Utah, and it sent two men to a weekend institute at Brighton, Utah.

All has not always been sweetness and light at Cobalt Employees' Credit Union. One small stain on the record was the removal last December of the entire three-man credit committee. This group had not been meeting often, enough and looking at loan applications carefully enough. Despite urging and offers of help, the

situation did not improve. Finally the supervisory committee, with board backing, abolished the credit committee. Two of these removals were "for lack of interest," the third because the member had resigned from Calera Mining Company. A new credit committee was appointed by the board.

Another hurdle in the first two years was a month-long strike last May at Calera Mining Company. In this siege, the credit union showed its colors. First it scrupulously maintained impartiality in the dispute over economic issues, basically the difference between a 13.2-cents-per-hour package that United Steelworkers of America asked for and a 9.5 package offered by the company. Second, in the weeks before the strike, the credit union made it known that the credit union would remain open for business, though loan maximum would be held to \$150 above shares. As it turned out, during the strike Cobalt Credit Union had two emergency living expense loans, the largest for \$150, and no share withdrawals. There were a few withdrawals immediately after the strike, primarily closing of family accounts to take up slack from the loss of income. The two loan applications were transmitted and approved by telephone.

Never Enough Money

Right after the strike, the loan limit went back to \$350 above shares, then in August to \$400 above shares. The limit is being raised as fast as possible. Despite three loans from outside—\$3,000 from the L. D. S. Hospital Credit Union, \$5,000 from the State Central Credit Union and a

further \$2,500 loan from Central—Cobalt's money supply is always short. They haven't even opened up new-car loans yet, and have made only a few used-car loans. Debt consolidation requests have kept the available money tied up. When there was some loan capital left over, loans were made for home furnishings, car repairs, hunting and fishing equipment, vacations and taxes. Largest loan in 1957 was \$1,387; smallest \$10. During that year the credit committee approved 368 loan applications.

With this kind of constant money circulation and with only a part-time salaried treasurer, Cobalt was able to pay a 4 percent dividend and a 5 percent interest rebate for 1957. This followed up their first year's dividend of 4 percent without interest rebate.

Cobalt Employees' Credit Union looks for an even bigger year ahead. A budget committee estimated gross income for 1958 at \$5,200, almost \$900 above the 1957 total. Expenses, the budget committee figures, should run \$3,131, or about \$700 ahead of last year. After reserves of \$401 are removed, Cobalt should have a surplus of about \$2,730, or \$900 better than last year. Included in the 1958 budget are \$540 for salaries, down slightly from last year; \$131 for membership education, representing largely expense of the membership bulletin; and \$170 for management training or fees to send officers to schools, institutes and workshops.

It was at one of these outside meetings, at a Salt Lake Area chapter meeting in March 1957, that Cobalt embarked on an insurance counselling project. The speaker at that

Routine office work, essential technical skills and punishing outdoor lives—these are occupations of Cobalt Employees' Credit Union members.



meeting was P. J. Lapcewich, sales manager of CUNA Mutual Insurance Society. His mission was to explain the society's new family security insurance policy, designed to give the head of the household some permanent insurance and to tie into the same policy some guaranteed income for the family in case of death of the "breadwinner."

In a side conversation, Lapcewich told Cobalt president White that he had considered using several credit unions scattered through the movement in a direct mail effort to test this kind of sales for individual life insurance. White says, "I asked him to please consider us as we were about the right size and maintained an exactly current mailing list. He agreed to this readily, and after being delayed by the work stoppage at our plant, vacations, etc., the mailing was made in August. We devoted one full issue of our monthly bulletin to CUNA Mutual and its programs. Each Cobalt member was asked to contact a member of the board of directors or a committee-man if they had further questions about the individual life program. They were in turn referred directly to CUNA Mutual and its 'personal insurance counselling service.'"

Cobalt's part in this program consisted of furnishing CUNA Mutual with a complete set of mailing labels, listing the names of "breadwinners" or family heads in the credit union. CUNA Mutual then sent to these members a packet of information about the company, stressing the features of the family security plan and including a special brochure about this particular policy. Also enclosed were brochures on CUNA Mutual extraordinary life insurance, personal insurance counselling service, premium rates, an application for life insurance and a reprint from an insurance statistics book listing CUNA Mutual as twenty-fourth largest insurance company in the United States based on insurance in force as of January 1, 1957.

CUNA Mutual was able to carry out this program in Utah because its life insurance contracts are approved by and the company is licensed by the Utah State Insurance Department.

The way Cobalt was organized is unusual in itself. For this was once a credit union within a credit union. It was organized within and operated

for one year wholly inside an older, larger credit union—Garfield Smeltermen's Credit Union.

Cobalt President E. E. (Ed) McMillin tells the story: "Gayle Leary, who was vice president of Local 4868 of United Steelworkers of America, and Jack Dukes, who was president, had read about a credit union somewhere. They asked me what I knew about it because I was financial secretary of the union. I said I never heard of it, but I would find out. Then I learned that Dick Franzen (then treasurer of Garfield Smeltermen's, now senior representative of the Utah league) lived four or five blocks from me. Dick and I got together for a council of war to discuss this credit union. I had never met Dick before. This was about the summer of 1954."

Always Planned for Two

Garfield Smeltermen's Credit Union at this time had assets of about \$350,000. It isn't clear today just who made the suggestion that Garfield Smelterman's create the new credit union, operate it until it got some capital strength, then shove it from the nest to fly or fall. From the beginning it was clearly understood that eventually there would be two separate credit unions.

Franzen cleared the plan with League Managing Director Little. Little cautioned that the only danger he saw was that the big credit union would swallow the little credit union and refuse to give up these Calera Mining Company employees as members.

There were some objections. Garfield officials said their credit union couldn't properly serve the Calera employees, and some Calera employees said they wouldn't join until they had their own separate credit union. But service to the two groups, as it developed, was almost identical. Calera employees who joined Garfield Smeltermen's elected a mock board of directors and a mock credit committee to work with and observe the parent credit union but not to make decisions. A mock credit committee of Calera employees, who knew their fellow workers better than anyone at Garfield Smeltermen's possibly could, reviewed all Calera loan applications and recommended their passage or rejection to the parent credit committee. Though Garfield Smelter-

men's had a signature loan limit of \$500 (Utah state credit union law maximum) it set a \$300 signature loan limit on members from Calera, reasoning that if they went the maximum for Calera employees their credit union, when it separated, could wind up with more outstanding loans than its share balance.

Franzen, still Garfield Smeltermen's treasurer, set up duplicate books, one set for his own members, one for his adopted members. Loan applications were processed in the same time for both groups. The real board of directors continued to counsel the make-believe board of directors, and the credit committees, real and mock, continued to work jointly.

No Growing Pains

Franzen gets as much personal credit as anyone for making this parent-child relationship succeed. He says, "The purpose of combining the Calera employees into our credit union was to avoid growing pains, give them some operating capital and give their prospective officers some training in a larger credit union."

White recalls now that his group protested violently when Franzen and his fellow Garfield Smeltermen officers decided that the young credit union was ready to stand alone. "Why," White says, "it took two or three days before they could convince us. We didn't think we were big enough or had enough experience."

In mid-December 1955, Cobalt Employees' Credit Union became a corporation sole. Its assets were just above \$11,000, its outstanding loan balance about \$8,600, giving it an operating cushion of \$2,500.

By January 1, 1956, assets had grown to \$11,389 and membership had grown from 75 at time of separation to 83. Also in that first month Cobalt Employees' Credit Union issued its first membership bulletin, announcing that all members would receive new passbooks showing their share and loan balances transferred from Garfield Smeltermen's Credit Union. The bulletin stated further that the new credit committee, no longer an advisory powerless body but a responsible, trained agency, would meet each Tuesday and Thursday. Loan applications would be accepted in boxes scattered around the plant, and loan limit regardless of security was set at \$200 above share balance. Cobalt gave notice that it

would be heard from in league matters in that first month of life alone by sending six directors and committeemen to the league convention.

Attendance was poor at Cobalt's annual meeting January 18, 1956. In the race for president were McMillin, one of the co-founders, and Paul White, Calera Mining Company purchasing agent who had quickly become the credit union's most active leader. McMillin says now, "I never was so gratefully defeated in all my life. Without Paul's leadership, we wouldn't be where we are now."

White combined dedication and imagination. He saw to it that the credit union got out a bulletin immediately "because we wanted to show the members that we weren't ashamed of the way we were handling their money."

Though White was an office employee and most of the credit union members were plant workers, he had an uncommon rapport with them and with the credit union officials who came from the plant. He wore a white collar but had the ear and the eye of the men in coveralls.

White's influence showed up through the early days of the credit union like the main stream in a busy channel. He remained a leader and an executive, assigning duties to competent men and making suggestions only where needed. But the progressive ideas were his. This is how Cobalt grew in the early days:

100 Percent Bond

By March 1, at three months, it took out CUNA's 100 percent million-dollar-maximum bond coverage.

By April 1, the loan limit was raised to \$300 in excess of shares.

In June, Cobalt, on recommendation of the league, appointed an assistant treasurer. Also in June Cobalt's membership bulletin was praised in the league monthly newsletter, and six credit unions wrote Cobalt asking for help on their bulletin.

Another big June event was a loan for \$3,000 from the LDS (Latter-Day Saints) Hospital Employees Credit Union. At that time of year, vacation expenses were crowding debt consolidations as a big reason for Cobalt borrowing, and the board, again at White's suggestion, felt that a loan would help meet members' demands.

On July 5, the Cobalt board issued to members a directory of officers and

committeemen, including addresses, telephone numbers and term expiration dates.

In September the board voted to send the bulletin into the home rather than distributing it at the plant and also voted to reduce it to a bi-monthly publication so that the education committee could have more time to work on other projects.

After his October visit with Cobalt, Franzen commented on their operation: "Very smooth."

The combined November-December bulletin contained original information about using Cobalt Employees' Credit Union for retirement and college education savings, using tables figured at 4 percent dividend though the young credit union was not then even one year old.

Starting January 8, 1957, and running each Tuesday for twelve weeks, Cobalt sent five officers to the league-sponsored management problems course at the University of Utah.

At the second annual meeting January 16, 1957, the education committee presented a ten-page mimeographed report, including full-page reports by the two committees and the board and illustrated with simple but effective charts showing the credit union's growth in loans, shares and members. The members at this meeting approved a 4 percent dividend. With year-end figures of \$29,609 in shares and \$30,679 in personal loans, Cobalt showed net income of \$1201.

Another January event was White's election as second vice president of the Salt Lake Area Chapter.

Effective April 17, Cobalt qualified for \$2,000 CUNA Mutual life savings insurance.

The loan limit was raised to \$350 above share balance on June 6.

Work in Committees

By late June Cobalt had 119 members with average share balance of \$275 and 87 borrowers with \$393 average loan balance. Total assets were \$39,000. At about this same time, White appointed a string of special committees to step up the credit union program. These included membership development, budget and finance, delinquent loans, loan policy, bonding and insurance, chapter, league and CUNA, publicity and education, annual meeting and an executive committee composed of the

president, vice president, secretary and treasurer.

In a letter September 9, White attempted to build attendance at directors' monthly meetings by listing a schedule of meetings for the following four months and calling on directors to put the credit union's interests first. In regard to directors' meetings, Cobalt early adopted a policy which it now swears by of requiring credit and supervisory committee members to attend board meetings. This, they feel, gives the credit union additional leadership potential.

These are highlights of Cobalt's progress, taken from its membership bulletins and annual reports.

White's two years of leading Cobalt ended this year when he was offered, and on January 1 this year accepted, a position as special representative for CUNA Mutual Insurance Society, working in the Salt Lake area. In his last months with Cobalt, White cautioned against letting Cobalt become a one-man credit union. Because he insisted on fellow officer participation in nearly every step he took and because he compiled a complete correspondence file at the league office and with the Cobalt treasurer, he made the changeover as easy as possible.

There's no impression of letdown now that White is gone. He will continue as a Cobalt member and will doubtless answer his phone when his successors have problems. As McMillin put it, "Now that Paul's gone, we don't think we'll slow down. We've just all got bigger jobs to do now."

At their annual meeting in January, seven leaders of Cobalt Employees' Credit Union received shiny new Founder's Club pins for their record of organizing new credit unions.

Cobalt will expand its operations to the hilt. Right now it's going after fourteen new research lab employees brought into Salt Lake by Howe Sound Company, the parent organization of Calera Mining Company. In addition, Cobalt will work on children's saving through some calendar banks and will try to gain back some of the family accounts lost after the strike. In their remaining time, the Cobalt leaders will go on with their twenty-four volunteer organizing service.



FROM THE MANAGING DIRECTOR

The Challenge of Depression

LAST month we had in The Bridge an article on the experience of credit unions during the depression of 1929 to 1939.

This article aroused a good deal of interest, and I think the subject warrants a little additional comment at this time.

I had the experience, myself, of helping to get a credit union started during the depths of the depression, and I can assure you that if you really like credit union work, you will find it most challenging and worth while during depression conditions.

It is a time when your members have serious problems, and you are challenged to help them solve them.

No increase in losses

It is a time when your members feel a strong sense of loyalty to the credit union; and while delinquency will almost certainly increase, through no fault of the members, losses will usually not increase but may even decrease.

There is nothing like an emergency to bring out the best in people. Those of us who worked in a credit union during the depression, like those of us who served in the armed forces during the war, could see this increased fellowship that an emergency helps to create.

I hope this doesn't sound as if I like depressions or expect a depression. I don't like them a

bit, any more than I like wars. I don't know how serious this recession is going to be.

But I do think it helps to keep in mind that a credit union that is well managed need not fear a depression.

Let's dwell a bit on that qualification—"well managed."

A depression is a time when people who fall behind in their loan payments have a terrible time catching up again.

System is needed

Hence it is important to have a well-developed system for delinquency control, and to meet trouble before it gets too big. It is also important to let them know they can refinance whenever they need to.

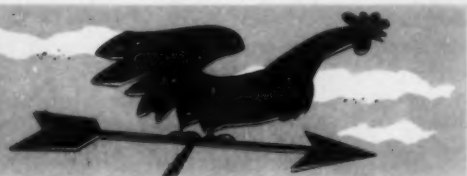
A depression is a time when businesses fold up and employees are left stranded.

Hence it is important for the credit union movement to continue to develop stabilization funds and other methods of dealing with this kind of emergency.

But you do not have to tighten up on your members. You do not have to pass rules and regulations restricting their borrowing rights. They have as much sense as you have, and they restrict themselves very carefully. They remain as honest as they ever were, and they become more serious, more thoughtful and more loyal.

H. Vance Austin

in the NEWS



Charles M. Smith is the new **Washington** representative for CUNA, who will work with Hubert Rhodes, manager of CUNA's office in Washington. Smith has been associate director of the Washington office of the National Council of Churches.

"Mrs. America generally rates as a better financial risk than her husband," said John McLean, banker teaching at University of Southern California's money management institute. **Women** tend to be more conservative about money, and "the wife's name on a contract indicates payments are more likely to be made," McLean said.

The **Rev. M. M. Coady**, famed leader of Canada's "Antigonish Movement," will speak at the annual meeting here of the directors of CUNA Saturday, May 10.

Jack Kent, California, won the 1957 **Volunteer Organizers Contest** with 10 credit unions. **Texas** won the league contest, as the league which recorded the greatest number of new credit unions organized by volunteers enrolled in the contest, with 13 credit unions. During the contest period (10 months only, because of the switch to a calendar year) 57 credit unions were formed by 41 contestants.

Central West Credit Union serving employees of Hardware Mutuals Insurance Co., St. Louis, dissolved when the company moved most of its operations to Minneapolis. At completion of dissolution the shareholders were paid a return of **113%**.

Savings institutions which stress **rate of return** to attract savings rather than other advantages may be in for trouble as "rate conscious" depositors shop around, says *Bankers Research*. Credit unions would be better off to stress value of other services, stability, and build habits of regular saving.

Loan costs are cracking after a 2½ year buildup, and rates will drop more, Canadian lenders predict, reports the *Financial Post*. "Best risks" can now make business loans at 5¼%; mortgage rates have started to come down from the 18 month 7% rate to 6% in places, and bank interest on savings (now 2¾%) is due to drop slightly in April.

Despite rising costs, CUNA was able to hold the charge for tuition, room and board at the two-week **CUNA School** for Credit Union Personnel at \$145, the same as last year. Inquiries are coming in about the school, which runs July 13-26 at the University of Wisconsin, co-sponsored by the University and CUNA.

A 15-minute color **movie** titled "Credit Unions Around the World" which explains the work of CUNA in spreading credit unions overseas and shows pictures from other lands,

is now available for purchase at \$100, actual cost of prints. Production cost was borne by World Extension Dept. Film is for chapter, credit union showings. A packet for a World Extension Month chapter meeting is also available. For film or for chapter program write Public Relations Department.

Although the **\$2 million maximum** #576 blanket bond coverage has just recently been approved, already 31 credit unions are using it. CUNA Bonding Services estimate there are about 300 credit unions which may use this optional \$2 million coverage.

On its **15th anniversary** the Stelco Employees (Canada Works) Credit Union published a 16-page history of the credit union which gave a full picture of all services of the credit union, described the chapter, league and CUNA and how the credit union fits in with them.

CUNA Supply Cooperative is ready to print your letter-heads on new bond paper with a "**Little Man**" watermark. This is exclusive with CUNA Supply; methods to supply similar stock in Canada are being studied.

About 80% of the larger department stores have **revolving credit** plans now as "compared with about 40% in 1950" says National Retail Dry Goods Ass'n. Customer has a "line of credit;" pays 1-1½% on the unpaid balance; sometimes more. Warn your members not to pay interest without realizing it on goods that are used regularly. Show them it costs less to borrow from the credit union for things of durable value.

The popular credit union flyer formerly called "**Jackpot**" has been renamed "CU" and all rights have been turned over to CUNA Supply, which is making it available at low cost on a subscription basis, as well as by individual order. Same style, same breezy copy. Blank on back for mimeo of monthly bulletin or promotion letters.

Ministers and professional employees of the Iowa Baptist Convention formed a credit union here recently with the help of volunteer organizer, Rev. H. O. Remmick, pastor at Harlan, Iowa.

A new filmstrip, "**The Supervisory Committee** and What It Does," is available from the CUNA Education department. Price is \$39.75, but write for special offer of two filmstrips (other is for directors) and projector at a discount.

Credit union leagues in **British Guiana, Chile and Trinidad and Tobago** joined the Credit Union National Association at a recent meeting of the Executive Committee. This brings CUNA membership to 62 leagues.

A public service **film** on thrift will be shown for the first time at CUNA's annual meeting in May in Madison.

Produced by the Public Relations Department, it shows how three couples learn the true meaning of thrift. Also touched on are wise uses of budgeting and credit. Rather than telling the story of credit unions, the film merely shows how credit unions tie into family thrift and credit problems.

Helping credit unions avoid **losses** through dishonesty or other crimes is the assignment of two new loss prevention specialists in the CUNA Insurance Services Department. They are Leo J. Corcoran, former managing director of the Prince Edward Island Credit Union League, and Michael T. Liucci, former president of the Connecticut Credit Union League. Their appointments follow more than two years' work by the department to develop a special educational program rather than an auditing program. Specialists' services will be available to leagues on request.

In releases to specialty newspapers and magazines, CUNA has announced that thirty-five new credit unions were organized by members of **cooperatives** during 1957, fifty-eight by residents of small rural and urban **communities**, one-hundred and six within **labor union groups** and eighty-seven within Catholic church **parishes**. At year's end there were 23,876 credit unions with more than 11,000,000 members in the Western Hemisphere.

The Federal Reserve Board has reported that credit unions' share of **personal loans** rose from 12 percent in 1951 to 15 percent in October 1957. Concurrent with this announcement, CUNA Managing Director H. Vance Austin said, "We fully expect the nation's credit unions to provide a substantial bulwark against hard times if unemployment continues to rise." He also noted that the number of credit unions in the U.S. increased seven-fold during the heart of the depression, 1929-1939.

At quarterly board meetings in Chicago in February, the CUNA Supply Cooperative board authorized construction of a temporary 50x90 foot steel building alongside the CUNA Supply section of Filene House to relieve overcrowded conditions. Also in February the CUNA Supply board started a program to help leagues study the problems of **supply depots** and set up a revolving fund of \$1000 to furnish supplies to credit unions outside the U.S. and Canada, with administration of funds to be recommended by the CUNA World Extension Department.

An "hour glass" curriculum is planned for this year's **School for Credit Union Personnel** sponsored by the University of Wisconsin and CUNA Education Department in Madison July 13-16. Department Director John Bigger explained at the February quarterly meetings that the first and third year courses will be on general topics, with first-year students studying the place of the credit union in the community and receiving individual testing and counseling; third-year students will take on individual projects and studies based on specific credit union experience. In between, second-year students will concentrate on specific credit union operating problems.

Annual meetings of CUNA, CUNA Mutual Insurance Society and CUNA Supply Cooperative in Boston in May 1959 will have three special anniversary observances—

50th anniversary of the founding of the first credit union in the U.S., 25th birthday of the Federal credit union act and silver anniversary of the Credit Union National Association. Special observances of the big anniversary year include establishment of a memorial library and museum at Filene House, production of an anniversary film and special notice of Boston as the home of Edward A. Filene, a founder of the credit union movement.

Statistical growth in two CUNA departments was revealed at the February meetings in Chicago. Premiums handled by the auto insurance section of the CUNA Insurance Services Department increased 28 percent during 1957, and bonding services under the same department are now sold to 17,082 credit unions. In a separate report, circulation of *The Credit Union Bridge* was announced at nearly 50,000.

Continued growth by the **credit union insurance** company, CUNA Mutual Insurance Society, was shown at quarterly meetings in Chicago. In 1957, CUNA Mutual returned 63.95 cents in claims out of every premium dollar, with \$13.7 million paid out in death claims and \$3.2 paid in disability claims to members of credit unions affiliated with the Credit Union National Association. In addition to this loss ratio of almost two-thirds, CUNA Mutual directors approved a return of 20 percent in dividends to holders of loan protection and life savings insurance contracts. At the February meeting, the CUNA Mutual board also announced that five leagues—Alabama, Connecticut, Ontario, Rhode Island and Wisconsin—are now using its newspaper advertising service. A plea for CUNA Mutual to sell insurance to non-affiliated credit unions was voiced by Marcel Caron, managing director of the Credit Union League of Manitoba. The request was referred to the CUNA Mutual policy committee.

A unanimous request for more **legislative information** and continued annual conferences on legislative problems was the result of the first legislative conference sponsored in Washington in February by the CUNA Legal and Legislative Department. Twenty-seven leagues sent more than one hundred representatives to the two-day meeting. General findings of the conference: Few leagues are totally satisfied with present statutes governing credit unions; most state laws have undergone constant revision and amendment and leagues are working for still more changes; almost all leagues report they enjoy good relations with supervisory agencies.

Two American natives who, as Catholic priests, spread credit unions in **Peru, Fiji Islands and Western Samoa** returned to Filene House recently to tell of their work and to gather material for new missionary efforts in the credit union field. Reverend Marion Ganey, S.J., told of his four years in the South Pacific where he helped organize 231 credit unions in the Fijis and eight in Western Samoa. He was called to the islands by the Fijian governor, who had known of Father Ganey's earlier credit union work in British Honduras. Reverend Daniel McLellan, Maryknoll missionary, told of the twenty-four credit unions now in Peru and of his work with CUNA's South American office in Lima, Peru.

(Continued on page 28)



RURAL NEGRO GROUP

shows the vitality
of a credit union
education program
serving Oklahoma
farmers and
their families.

"FREQUENT membership meetings are important for credit union growth," says Clemon D. Ashley, secretary-treasurer of Creek Farmers Federal Credit Union in Bristow, Oklahoma. "Our group has been growing steadily since it was organized in 1950. Much of this is due to our monthly membership meetings. They strengthen our common bond, increase member enthusiasm and create a feeling of pride in belonging to a strong self-help organization."

Ashley is a forty-two-year-old county farm agent with previous experience as a farmer, teacher and school principal. He first heard about credit unions through an advertisement. "I was immediately interested," he recalls. "It seemed that a credit union might be just what our Negro community needed."

"Our people lost many farms both during the depression and after the second world war," continues treas-

urer Ashley. "They clearly needed a source of credit to tide them over emergencies and bad crop years. Banks and other commercial institutions were calling in their collateral. The farmers of Creek County sustained substantial losses through forced sales."

The leaders of the county's agricultural community viewed these losses with concern. They considered them particularly unfortunate since many farmers had earned good incomes in defense plants and construction work throughout World War II and the post-war years. "Our problem was to make an opportunity for the farmers to save regularly," summarizes Ashley. "We felt that with proper encouragement they would use such an opportunity to the benefit of the entire community."

Ralph G. Bendel, managing director of the Oklahoma Credit Union League, took an immediate interest in the problems of this farm group. He

explained credit union philosophy and operation to Ashley and T. R. Lewis, a vocational agriculture teacher. The two farm specialists felt that their community would find encouragement and economic strength in pooling its resources. And, assisted by Bendel, Ashley and Lewis proceeded with the charter application and organization of Creek Farmers Federal Credit Union.

Membership at Creek is open to Negro residents living within a fifteen-mile radius from the Bristow post office. Lewis is now serving as the group's president. And Ashley has been secretary-treasurer since it was organized.

Most of Creek's three hundred and seventy members are part-time farmers. They own the farms which they operate and live on them. But they do other work, too. Construction work is their principal part-time occupation.

The balance of the membership falls into three groups. Some eighty members are laborers, widows and retired persons. Twenty-five are professional people. Ten are full-time farmers.

Income \$750 to \$5000

Personal incomes of this farming community are modest. They vary from a low of \$750 per family to a high of \$5,000. Average annual income of the entire group is approximately \$1,500.

But in spite of their limited resources, the Creek farmers put aside some \$40,000 in savings during the first eight years of their credit union's operation. And they made nearly 1,000 loans to their fellow members, amounting to almost \$170,000.

What is the secret of Creek's steady growth? Why has neither unemployment, drought nor flood been able to stop its progress? And why has the recession of the last six months stimulated the group's share increases to a new height?

The answer to all three questions is member education. Creek's educational program consists of seven parts. "Individually these parts would not be adequate to meet the needs of our group," says treasurer Ashley. "But together they combine into an effective educational program."

Here is how this Creek County farm group handles member education:



Rural people take their troubles to their county farm agents. For this reason, Creek Farmers Federal Credit Union treasurer Clemon D. Ashley has found his office a natural place for publicizing the credit union. And, with fourteen membership meetings each year, it isn't hard to get out full attendance at board meetings.

• **Monthly membership meetings.** These meetings are divided into three parts. Part one is a general business session of the membership. It begins with a prayer and a song. Reports by the officers follow. Then the members await their turn to make share and loan payments to the treasurer.

Part two is a business session of the board of directors. And the third part is devoted to social activities.

Husbands, wives and children jointly attend these Saturday night sessions. Responsibility for the social part of the program rests with an entertainment committee. Its chairman co-ordinates the committee's activities for an entire year. But individual committee members serve only for one monthly meeting. Program topics vary from month to month. The year's social program usually includes three or four basketball games and five or six dances for the young people. Pie suppers and light refreshments are popular with the Creek County farmers and their families.

Each month a different group of entertainment committee members donates the pies and refreshments to the credit union. The committee sells

these items to the membership. The proceeds from the sales go to the annual meeting banquet committee. Purpose of these sales is to provide the group with a free annual meeting banquet which all members will be able to attend.

Attendance at these monthly meetings varies from a low of twenty-five to a high of forty members. The group's meeting place is a new school building some eleven miles distant from Bristow. This building was abandoned when school integration took effect during the spring of 1956 and provides ample space for meeting rooms. It also includes a gymnasium, which the Creek County group uses for both basketball games and dances. Custody of the building has been entrusted to Creek Farmers Federal Credit Union by the local board of education. But although the credit union is responsible for cleaning, fuel, electricity and gas, the building is also available for other group events of the county's Negro community.

In addition to their twelve monthly meetings, these Creek County farmers have two further membership meetings each year. One is the annual meeting. During 1958 this event was



attended by a hundred and eighty-nine persons, or slightly over 50 percent of the group's membership.

The fourteenth membership meeting of the year is the Fourth of July picnic. On this day the entire membership goes as a group to Heyburn Dam, some nine miles distant from Bristow. Each family brings its own food, which the members share during the outing. While on the picnic grounds, the members play games, fish, swim and enjoy boat rides. Attendance at the picnic varies from seventy-five to eighty-five percent of the membership. Picnickers bring their entire families, including babies and pets. The outing starts at 10 o'clock in the morning and lasts through the evening of the holiday.

Says president T. R. Lewis, "Our fourteen meetings each year cement the ties of our common bond. They also encourage systematic savings activity, afford every member a convenient opportunity to hand his share money to the treasurer, and remind prospective borrowers that our credit union is ready to serve them when needed."

● **Board acts as informal publicity committee.** Shortly before each monthly membership meeting,

treasurer Ashley contacts the members of his board of directors either in writing or by telephone. He reminds them of the coming event. The directors in turn visit or call the members who live in their neighborhood, bringing the scheduled meeting date to their attention, and encouraging them to plan their weekend so that the entire family will be able to attend.

● **Schools help with meeting publicity.** Creek County's teachers announce forthcoming credit union membership meetings in their classes, and the pupils take the message home to their parents.

● **Literature.** The educational literature published and distributed by CUNA Supply Cooperative is an essential part of Creek's membership information program. To help the membership toward a better understanding of the credit union movement's insurance services, treasurer Ashley keeps a supply of CUNA Mutual insurance pamphlets in his office.

● **Annual meeting.** The free annual meeting banquet for all members helps Creek to strengthen its common bond. Usually the monthly contributions of the entertainment committee

are sufficient to cover the banquet committee's expenses. But occasionally the credit union adds a small amount to make up the difference between previous contributions and actual banquet costs.

At the business session of each annual meeting a board member explains share and loan insurance benefits to the membership. "We illustrate these talks with practical examples of members who died or were disabled," reports education committee chairman Clarence Canady. "And we use actual benefit figures. They are much more easily understood than impersonal statistics."

● **Loans to youths.** Between one-fourth and one-third of this farm group's members are minors. "With two exceptions," says Ashley, "all our loans to minors have worked out excellently." Most of these loans are for 4-H Club and NFA (New Farmers of America) projects. Creek's boys have also used credit union money to raise livestock and participate in crop-growing experiments. And the group has made a number of loans to teen-agers who needed part-time work but did not have the \$31.50 to \$50 required for labor

CREEK FARMERS FEDERAL CREDIT UNION, BRISTOW, OKLAHOMA

Organized April 1950

	SHARES	LOANS	BORROWERS	ASSETS	MEMBERS
June 30, 1951	\$ 1,907.59	\$ 1,873.75	20	\$ 1,970.52	85
June 30, 1952	6,041.99	5,884.04	48	6,289.56	135
June 30, 1953	11,302.23	11,982.77	103	12,582.52	187
June 30, 1954	14,650.40	18,715.91	119	19,364.17	222
June 30, 1955	16,527.43	22,537.32	131	23,776.47	246
June 30, 1956	20,371.59	30,276.97	128	30,378.08	303
June 30, 1957	27,047.65	39,837.37	180	40,267.01	340
Feb. 1, 1958	38,944.73	54,092.36	219	54,963.65	370



union membership. All of these loans were co-signed by adults. "By making these loans for union fees," says one of the officers of Creek Farmers Federal Credit Union, "we help our youngsters to take advantage of work opportunities which otherwise would be closed to them. And, at the same time, we get them accustomed at an early age to look to their credit union for financial assistance."

• **Share contests.** Creek has used five different devices to promote systematic savings. Three of these were share contests. Their effectiveness varied. But each of them contributed to the group's share growth.

One contest was between the men and the women of the membership for the largest amount of additional savings. It lasted for an entire year.

The losers entertained the winners with pies, pop, coffee and sandwiches. This event was held only once, but it was very effective in stimulating share growth.

A second share contest was between odd and even share account numbers. Again the losers entertained the winners with refreshments at a monthly meeting. "This method," says Clemon Ashley, "was fairly successful."

Creek's third share contest program was based on a division of its territory into ten areas. One man was assigned to each area. The ten men then competed with each other to see who could raise the largest number of shares in his area during a one-year period. Each of the ten contestants contributed one dollar for a prize.

The winner received ten dollars for his share account.

"As our goal for 1957 we encouraged our members to save \$1 for each year they were old," reports Sylvester Combs, last year's education committee chairman and now secretary of the supervisory committee. "This was quite a challenge to our older members. And it brought very fine results. But, as we keep on growing, we shall have to continue to invent new devices and ideas which will capture the imagination of our membership and produce even better results."

At each monthly meeting members may request dime folders or tubes. Each of these devices holds thirty or fifty dimes. By accepting one of these dime banks, the member assumes the obligation of filling it and returning it for credit to his share account at the next monthly meeting.

Creek Farmers Federal Credit Union shares office space with the county's farm and home demonstration agents in a small frame building in Bristow, Oklahoma. The credit union has free use of space, heat and telephone, but pays the building's light bill. The group's estimated potential membership is 450.

Bristow's population is approximately six thousand. The town is located in the northeastern part of Oklahoma, some eighty-eight miles northeast of Oklahoma City and thirty-five miles southwest of Tulsa. The county's largest city is Sapulpa, with a population of fifteen thousand.

Livestock farming produces the

largest income of all agricultural activities in Creek County, which covers 972 square miles and has a population of some 43,000. The county's beef cattle are Hereford, Aberdeen-Angus, Shorthorn and mixed breeds. Its dairy cattle are Holstein, Jersey, Guernsey and mixed breeds. Cash crops of the area are cotton, peanuts as well as a small amount of wheat. Corn, grain sorghum, oats, barley, rye, prairie hay, Johnson grass and alfalfa are the Creek County farmers' feed crops.

Credit Committee. The three members of the credit committee live in three different areas. Usually one of the three knows each loan applicant. But if the prospective borrower is known to none of the committee members, then the committee visits him at his home. During such visits the committee members check the member's suggested collateral and ask for credit references from business houses with which he had dealings in the past.

Regular meeting hours for the credit committee are every Saturday morning in the treasurer's office. Also the evening of the second Saturday of each month, during the monthly membership meeting. In the event of an emergency, the committee can meet any time.

Says credit committee chairman John Chaney, "Our committee explains to all loan applicants that the only money the credit union can lend is the money the members save. We require all borrowers to agree to a minimum monthly saving of \$1



"Systematic savings". . . .
"Christianity". . . . "Feeling
of price". . . . In words like
these, these officers describe
their credit union.

to \$5 while repaying their loans. Although this is part of our loan contract, we do not put it into writing." Reports treasurer Ashley, "The results of this method of operation have been very good."

Supervisory Committee. The committee supplements its auditing activities by personal visits. When a member fails to respond to Creek's standard passbook verification notice, a committee member inspects the missing passbook in the member's home. "This may not be the most convenient method of carrying out the committee's obligations to the membership," says George Thomas, supervisory committee chairman since organization of the credit union. "But we feel that our members are entitled to the best service we can possibly give them. If this means spending some extra nights in going from house to house or collecting passbooks at the monthly membership meeting, then our committee is willing to donate these additional hours for the protection and security of our members' assets."

Loan purposes at Creek can be classified into four principal categories. The largest single purpose is to help members with farm operations. "This type of loan accounts for approximately 70 percent of our loan activity," states treasurer Ashley. "The next largest category is 20 percent for refinancing credit union loans and outside loans. The other two purposes are real estate loans, which amount to some 5 percent, and miscellaneous loans, which account

for the remaining 5 percent."

Interest rates at Creek Farmers Federal Credit Union are 1 percent per month on installment loans and 8 percent per annum on single payment loans. The group's annual dividend rate is 3 percent.

Here is what the credit union means to a few of Creek's members, committeemen and officers:

Member since organization, Mrs. Ora Thomas: "I have bought a car with a credit union loan. And we were able to put gas into our home, thanks to the help we were able to get from our credit union."

Member Mrs. Anna Foot: "I think the credit union is a great organization to belong to. Since joining it six months ago, I have saved regularly for a nest egg. Before joining our credit union I saved in a commercial institution. I find great satisfaction in putting my funds together with those of my friends. The knowledge that my savings help others during emergencies and special opportunities gives me a wonderful feeling."

Former chairman of education committee, Sylvester L. Combs: "The credit union encourages savings, develops character, creates a more co-operative spirit in the community and improves the relationship between the members and our local merchants."

"I have borrowed to purchase a farm and find that the encouragement to save regularly has changed my life completely. I now save systematically for the first time."

Credit committee chairman John H. Chaney: "The credit union has helped me to understand business and the nature of people, as well as their wants and desires. It has taught me what it means to help and be helped."

"The credit union has given our people hope, has made it possible for them to understand the community, and has given them the benefit of systematic savings. The members of our community now understand each other's problems better and more maturely."

Supervisory committee chairman George Thomas: "I think we should have had a credit union in Creek County thirty or forty years ago. Many a farm and home would have been saved. During the last eight years our credit union has helped a large number of members. Both our county and our people benefit greatly from it."

Vice-president Ben H. Combs: "There is a lot of Christianity to be found in credit union work. Knowing and realizing this has helped me tremendously."

"Many of our people nearly lost their farms. Banks and finance companies frequently had to foreclose in our community before our credit union was organized in 1950. Since then we have been able to prevent these foreclosures. Our members appreciate this. And our community is better off for the additional security which Creek Farmers Federal Credit Union has given to our members."

Names like Filene, Bergengren, Desjardins crowd some remote files in the Library of Congress. In these memos, letters and clippings is the story of the hard birth of the credit union movement.



CREDIT UNION HISTORY

revealed by Russell Sage Foundation files,
now in the Library of Congress in Washington.
There were days of bitter struggle then, as always

ALL but forgotten in a remote corner of Deck 29 of the Congressional Library in Washington stands a row of steel filing cabinets crowded with the correspondence and working papers of men who, hardly more than a generation ago, were leading a crusade to bring into being the system of credit unions, model small loan laws and industrial banking laws which we take for granted today as normal and natural parts of our economic system. These are the relics of The Russell Sage Foundation's remedial loan division.

Yellow and brittle newspaper clippings collected in these files testify to the brutality of the evil they were combatting. "Her Husband in Prison, She Battles for Her Home," cries a headline from the *Los Angeles Record*, October 27, 1927, over the

pathetic story of a man who committed a desperate crime in an effort to escape the toils of a loan shark who had advanced \$1,000 for a bonus of \$200 and interest at 8 percent.

Again and again, stories of individual tragedy, misery and despair appealingly reported in long-forgotten crusades in the *Chicago Tribune*, the *Winston-Salem Sentinel*, the *New York Journal*, the *Oklahoma Times* and many others. With them, the columns of small loan ads, dating back in some instances to 1868, carefully clipped and filed, reminders of the dilemma the workingman faced when he found himself in need of money. "Patronage of Ladies Especially Invited," says one enticing ad from the *Boston Globe* in 1913. Many use such lures as "Amazing new plan," "Strictly Confidential" or

"Loans in 10 Minutes. No Employed Person Refused."

A typed note from a loan company assures a former client that his credit is good, and that he is invited to come in if he would like a loan "which may be helpful in meeting the expenses of the Christmas Season." A postscript adds: "Remember, we pay \$2 for every loan we make to a person you refer to us."

Because the Russell Sage Foundation spearheaded the fight for realistic small loan legislation, virtually everyone closely identified with the struggle made an impact on its files. Here is A. H. Ham of the foundation staff, explaining the basic strategy of the fight in a newspaper interview in 1913: "The loan shark exists because he fills a need," Ham points out. "We are less concerned

with prosecuting individual loan sharks than in eliminating the conditions which make it possible for loan sharks to operate."

Here, intact, is a lengthy correspondence between Ham and Alphonse Desjardins, founder of the credit union movement in Quebec and consultant to Filene in drafting the pioneer credit union statute in Massachusetts in 1909. By 1917, Ham reports to Desjardins, the United States has 120 credit unions. "The real bar to progress," he deplores, "comes from promoters of the Morris Plan, who seem to be doing all they can to give a black eye to cooperation in this country."

In the four drawers of material dealing solely with credit unions are original letters and materials which remind us that a debate raged for more than twenty years before agreement could be reached on legislation authorizing federally-chartered credit unions. As secretary of a special presidential commission which inspected European cooperative credit in 1913, John Lee Cautler writes the Foundation that the Commission is advising President Woodrow Wilson against federally incorporated credit unions "because of different conditions in various states." Seven years later, Edward A. Filene writes the Foundation it would be "unwise" to press for a federal act when the immediate task is "to increase the number of working credit unions in states where they are permitted." Ultimately the passage of the federal act is reported in statements, documents and press clippings dating from September 1934.

Other documents record the bitterness which sometimes divided the men who shared the same goals. Many a hitherto confidential inter-office memo laments the attacks made by the late Roy F. Bergengren on some commercial lenders. Bergengren detested "42 percenters." He seemed, to the Foundation, to be promoting credit unions at the expense of other institutions which also enjoyed the Foundation's sanction of approval. More than once the Foundation appealed to Filene to curb the speeches and writings of Bergengren. By 1934, the files show personality clashes had cut so deep that only the patient arbitration of Evans Clark of the Twentieth Century Fund finally calmed the differences which threatened to prevent the New York and Massachusetts

credit unions from affiliating with the newly organized CUNA.

As a coordinator, interested in all forms of reasonably-priced consumer credit, the Foundation found itself desperately embarrassed when one of its allies spoke disparagingly of another. Supposedly there was a gentlemen's agreement that each of the new forms of consumer credit would press its program with the Foundation's blessing, without making any move to hamper each other. But as far back as 1924, Bergengren's contemptuous references to "42 percenters" brings the Foundation a protest from Burr Blackburn, spokesman for the small loan companies. In 1926, after a trip to Boston, Rolf Nugent reports in a staff memo that Bergengren pointed to the high cost of money under small loan laws "and joked about the cloak of respectability the Foundation threw over industrial lenders."

An uneasy truce

In 1932 Leon Henderson, then director of the division, is again concerned with Bergengren's jibes at "42 percenters." He writes Evans Clark of the understanding that credit unions and small loan companies are not to interfere with each other. "The Russell Sage Foundation supports the Credit Union Bill," he comments, "and never encourages anyone to propose a uniform law to the exclusion of the Credit Union Bill." An uneasy truce is again endangered two years later when Burr Blackburn dutifully supplies the Foundation with publicity materials about the newly formed Farm Credit Administration, including a clipping from the *Detroit News* headlined, "U.S. To Fight High Interest Rates with Credit Unions." In a covering memo, his angry handwriting protests, "This is the kind of stuff (Claude F.) Orchard is putting out."

The Russell Sage Remedial Loan Division came into being shortly after the turn of the century, at a time when no existing financial institutions made small loans. The grip of the loan shark had become so vicious that employers were becoming deeply concerned. Often, well-intentioned employers posted notice that workers who became involved with loan sharks would be dismissed. But workers facing an emergency usually had no recourse other than the loan shark, so the employer's

well-intentioned rule simply strengthened the hold which the loan shark had on the borrower.

Two full filing-cabinet drawers of material devoted solely to the loan shark problem in New York State are available in the Russell Sage Foundation files. Among them is a document from 1910, in which C. W. Bloomingdale, well-known department store operator, urges his fellow-merchants in the Retail Dry Goods Association to band together to fight the loan shark evil.

Reporting that loan sharks are getting 10 to 60 percent per month on salary loans and extracting about \$5,000,000 annually from working people, he warns, "It is impossible for our employees to get out of the clutches of the loan shark once they are involved. This happens despite the threat to fire them."

Legislation isn't the sole answer, Mr. Bloomingdale says. The greatest need is for a semi-philanthropic loan society to help working people meet their emergencies. The next greatest need is for the employees to stand behind their employees.

When news first leaked out in 1909 that the widow of Russell Sage was investigating the loan shark problem, the *Chicago Tribune* excitedly reported that the Sage millions would be used for a nationwide chain of loan companies to help the poor by putting out money at low rates. But Arthur Ham and the members of the Foundation staff had no enthusiasm for this kind of an approach.

Searching for an answer which would be permanent and workable, they decided that badly conceived banking laws, supposedly framed to protect borrowers, were the single most important reason the loan shark flourished. Since legitimate institutions could not afford to make small loans within the legal 6 percent limit which existed in most states, the loan shark was able to step in and fill the vacuum.

In an early interview found in the files, Ham laments the unintentional harm created by misguided zealots who crusade against loan sharks without offering an alternative for the working people who need help. Often, he says, these crusades hurt the loan shark for a time. But soon they are back because the people need loans, and there is no other place to go.

Seeking a permanent and realistic answer, the Foundation was inter-

ested in consumer credit institutions which could operate profitably and on a businesslike basis. It was skeptical that any approach based on charity could be permanent. Instead of entering the loan business, it dedicated itself primarily to fighting for law reforms which would clear the way for new kinds of credit institutions to meet the needs of the public.

Object: Model Laws

Ultimately the Foundation was able to furnish leadership in developing and promoting model laws governing small loan companies, credit unions, industrial banks, installment credit and other forms of lending. So within the files now available at the Congressional Library are literally thousands of documents—printed articles, letters, staff memoranda—concerned with the drafting and promoting adoption of these model laws. Over a ten-year period, the files show, the model small loan law alone goes through at least seven major revisions.

Along with all the contemporary literature concerned with the development of new credit institutions are individual files preserving records of state-by-state activity in behalf of each model law. Dossiers on leading credit organizations were maintained, with nearly half a cabinet drawer devoted solely to reports, statistics and information about Household Finance Corp. alone.

The early files are freighted with appeals from desperate individuals seeking release from loan sharks. More than one anxiously scribbled appeal followed Ham to his vacation spot in Maine, with the explanation, "I would not trouble you but my situation is urgent." Each received an answer, often in the form of assurance that the claim was uncollectible. Employers who consulted the Foundation were advised that ample legal opinion was available that loan sharks often have no basis for collecting.

From the beginning the Foundation had three major proposals for dealing with the loan shark problem. First, it was anxious to promote the formation of "Remedial Loan Associations" by local businessmen, who would be willing to advance money under proposed model small loan laws which allowed 2 or 3 percent per month interest, but limited the

loan company to a 6 percent profit. A second weapon advocated by the Foundation was a publicity campaign by well-known local lawyers, who would advertise that they stood ready to defend any borrower involved with a loan shark. As a third point in its program, the Foundation advocated the formation of "Employees' Associations"—credit unions—so that working people could put themselves in a position to borrow on the most favorable terms.

In the fight for model small loan laws, it was no simple matter for the Foundation to convince the public that a rate of 2 to 3 percent per month was not excessive. Its studies showed the expenses of chattel loans, including losses, were 14.4 percent on the average amount outstanding. To assure a 6 percent return, a rate of at least 20 percent was needed, the Foundation said, "to put the business on an honest, practical basis."

Consistent with his belief that the small loan problem would not remain solved if it was approached as a matter of charity, Ham urged the planners of the Remedial Loan Associations to provide a 6 percent profit. By 1914, associations of this kind were operating in 31 cities. Within six months, Detroit reported that its loan sharks were "wiped out." In New York, the loan shark ads disappeared from the newspapers.

Employee Associations

Adoption of the credit union law in Massachusetts in 1909, and the enthusiastic letters from Desjardins, clearly excited Ham from the start. Formation of "Employee Associations" was eagerly advocated because "men knew each other, so the expense of investigation was eliminated." More important than that, the credit union "is readily at hand where men draw their pay envelope so it can be a powerful influence for thrift." In the end, Ham explained, borrowers can become savers and eventually lenders.

Victory in the fight for modern credit facilities did not come quickly nor without conflict. In 1916, we have a glimpse of the Foundation rushing to help the Remedial Loan Association of San Francisco in a fight with the newly formed Morris Plan Bank. A key director of the Remedial Loan Association—B. F. Schlesinger of The Emporium—was

associating himself with the Morris Plan. So a bill of particulars was drafted seeking to prove that Morris Plan charges ran substantially higher than advertised. Emergency conferences were arranged and, in the end, there is a letter from Schlesinger reporting that he will serve exclusively with the Remedial Loan Association.

To Ham's comment that the promoters of the Morris Plan have been doing their best to curb the growth of credit unions in the United States, a feeble and failing Desjardins writes back on note paper, "it is a fraud upon the public to use the word cooperative (to describe the Morris Plan) for they are simply capitalistic institutions organized for benefit of the few at the expense of the public."

Original offers from Desjardins, dating back to 1912, to promote the formation of credit unions in the

Guiding the Russell Sage Foundation study of small loan abuses were A. H. Ham, Rolf Nugent and Leon Henderson. They never concealed their running feuds with Roy Bergengren.

United States were discouraged as "premature" by Ham, although Desjardins' writings and articles were distributed. By 1919, roughly ten states had adopted laws for the formation of credit unions, so Ham prepared a memo on them for consideration by the Republican National Convention. Moving cautiously ahead with its efforts in behalf of credit unions, the Foundation in 1919 passed the word that its division of remedial loans was prepared to provide legal advice for groups concerned with promoting the credit union movement, and that special care was necessary because many states do not provide for formation of these institutions.

As the pioneer in credit unions, the most intensive activity is evident from Massachusetts. So in May 1919, the Foundation's staff confers with W. F. McCaleb, then director of the Massachusetts Credit Union League. According to the report on this meet-

ing, he indicated his group worked with about \$25,000 advanced by Edward A. Filene and Max Mitchell.

In another few months there are more contacts with McCaleb. Now he is secretary of The National Committee on People's Banks. His draft of a federal law for credit unions is denounced by the Foundation as "carelessly written" and there is a memo by Ham raising these points among others: The provision on authorizing real estate laws would be a mistake, for it would lead to heavy losses, and incur the opposition of lenders who fear the competition of credit unions. A provision fixing shares at a \$10 par value is too inflexible. Another which prevents officers from borrowing from credit unions is unfair to those who participate in the management of the associations. By March, the Foundation has a letter

by the Russell Sage Foundation, Nugent is soon in a competitive race with Bergengren. For in 1928, to Nugent's chagrin, the head of the Credit Union National Extension Bureau has served notice that he is coming into New York State to do some organizing.

Bergengren's whirlwind organizing methods did not make him any better liked by the Foundation staff. Much concerned with the delicate relations between credit unions and banking authorities in New York, the Russell Sage group feared the impulsive Bergengren would rock the boat. Bergengren was not content to wait years for results. His missionary enthusiasm made cautious people shudder. Filene pointed out that Bergengren had successfully assisted in organization work in other areas, but the Russell Sage director snapped back, "He has

Joseph Campana have adopted a resolution refusing to affiliate, and the New York League of Credit Unions, led by Rolf Nugent, has also resolved to stay out because "dues are prohibitive" and "representation in the national organization disproportionate."

By February 1935 Bergengren has written Nugent that he cannot even come to New York to discuss CUNA with the New York League while a resolution remains on the books specifying that the League would not participate in CUNA. When he speaks publicly in New York, friends of Nugent are in the audience to ask: Will CUNA form credit unions in New York State and accept them as members without requiring that they also affiliate with the League? His "reasonable" answer pleases the Foundation, and the files suggest new hope that a satisfactory solution to the dispute may yet be reached.

Eventually it is decided to appeal to Evans Clark of The Twentieth Century Fund, source of money used by Mr. Bergengren. Clark's intervention results in an agreement bringing the hold-out groups into CUNA.

Some of the material in the files, including the raw results of the Foundation's nationwide study of consumer credit, are as recent as 1938. But by the mid-30s the legislative struggle for model laws authorizing credit unions, small loan operations and installment credit had been won. With the outbreak of World War II, Leon Henderson left the Foundation to win national fame at OPA, and Rolf Nugent departed to contribute his unique knowledge of consumer credit to the drafting of the Federal Reserve Regulation W of World War II.

With the death of Nugent in 1946, the Foundation officially terminated the career of the Remedial Loan Division, by that time renamed the Department of Consumer Credit Studies. And three years later the complete files were turned over to the Congressional Library so that the papers could be accessible to the greatest number of interested persons, and to insure their preservation. Just forty years from the time the *Chicago Tribune* heralded the beginning of the great philanthropic effort by Mrs. Russell Sage to eliminate the loan shark, the crusade was officially ended.



from Filene concurring that the drive for a federal law would be "unwise" at this time. But in 1924, Ham, Caro Coombs of the Foundation staff, and Roy F. Bergengren of the Credit Union National Extension Bureau are deeply involved in drafting a model state law.

Seeds of disagreement between Rolf Nugent of the Russell Sage Foundation staff and Bergengren are already evident when Nugent returns from the conference in Boston in 1926. Bergengren's reflections on the Foundation's efforts in behalf of small loan companies did not set well. And there were things about the Massachusetts credit unions which surprised Nugent. Particularly, he comments that they are allowed to charge 7 percent discounted in advance (really 14 percent, he notes), and that they are making loans on first and second mortgages.

As leader of the New York State League of Credit Unions, subsidized

such a big field throughout the country that I think he could well afford to ignore New York."

Dissension also colored Ham's appraisal of Edward A. Filene, for he adds, "Filene doesn't care a snap about offending the Foundation. But rather regrets severance of relations because it means a loss of help to Bergengren."

A conciliatory reply from Filene draws only a rebuff from Glenn in June. "We would like nothing better than to cooperate," Glenn writes. "However experience over a long period of years has forced us to conclude that Mr. Bergengren cannot understand the meaning of the word cooperate."

One final, almost fatal flare-up of the animosity between the Foundation and Bergengren appears in 1934. A ratification committee for CUNA is operating with Bergengren as provisional managing director. But the Massachusetts credit unions under

ideas, methods, dreams

Comparative costs

The use of a table of comparative costs is one of the simplest and most effective educational tools a credit union can use.

Purchase	Balance to be financed		Credit union loan		Sales financing	
			Monthly payments	Total interest	Monthly payments	Finance charges
Food freezer	\$500	24 months	\$23.44	\$62.56	\$24.67	\$92.00
Appliance	300	24 months	14.07	37.68	15.17	64.00
New car	2,000	36 months	66.43	391.48	70.56	540.00
Clothing, etc.	100	12 months	8.88	8.56	9.80	17.60
Used car	1,500	24 months	70.61	194.64	79.00	365.00

The Rochdale Credit Union of Woodstock, Ontario—a community credit union—used this table in its December bulletin. Costs of financing automobiles, food freezers and other purchases are shown, with monthly payments and total interest or finance charges. Including both these cost figures in the same table was an especially good idea, since they answer two questions: How will it affect my present budget? Can I afford it in the long run?

Advertising studies show that advertisements containing useful information are always well read. This is something to remember.

Fast share growth

Want to pick up \$600,000 in shares quickly?

All you have to do is dedicate your own building, raise your life savings insurance limit to \$2,000, and take the ceiling off share accounts.

At least that's what happened to Municipal Employees Credit Union of Baltimore recently.

The building dedication, to be accurate, took place October 1. It is a handsome three-story building located near the central payroll bureau of the city government, and it is jointly occupied by the Maryland League, the Central Credit Union of Maryland, the Municipal Employees, the Baltimore Transit Employees, the Baltimore Post Office Employees and the Baltimore Chapter.

Elmer F. Bernhardt, president of Municipal, made the dedication address, the mayor of Baltimore cut the ribbon, and 30,000 credit union members in Maryland were invited to an open house.

This paved the way for the an-

nouncement in January that the \$1500 limits on share accounts was being raised to \$2,000 and that the \$2,000 life savings contract was taking effect. In three days, Municipal gained \$600,000 in share capital!

Poor baskets

Looking for a public service idea?

A New Orleans credit union distributed baskets of food to the poor



at Christmas time, and feels much rewarded by the experience.

The credit union is Frey's Employees Federal Credit Union, a meat packer group.

"You could never realize," says president Frank A. Gioia, "the joy that these baskets brought to those poor families around our city . . . Who knows, maybe next year there will be more needy families having a Merry Christmas!"

Turn backward, turn backward

In a playful mood, the Central Credit Union of California, offers its members a new type of calendar, which will probably solve all human problems. Days and dates have been reshuffled in a realistic adjustment to the needs of suffering humanity.

For example, on the theory that everybody gets up on Friday, saying, "Thank goodness it's Friday!", two Fridays have been inserted early in each week.

The numerical order has been

BULLETIN COPY

Safety in your credit union

Your money is protected in your credit union by various methods.

One is government examinations. All credit unions are examined regularly by government field men. Your credit union, as you probably know, is incorporated under a special credit union law and is required to open its books to government representatives at any time.

Another way your money is protected is by internal audits by a special committee chosen from the membership. This committee is directly responsible to the members and makes a report to the members at the annual meeting. It audits the books perhaps four times a year, perhaps every month.

Your credit union also protects your money by bonding all officers and employees. This is required by law, and it means your credit union is insured not only against possible dishonesty on the part of an officer but also against robbery, forgery, misplacement and other risks.

You yourself have something to do with keeping the credit union safe.

reversed each week, so that when you suddenly realize on the sixteenth that there was something you had to do on the ninth, you still have six days to do it.

This of course makes it possible for credit unions to get loans out faster. A loan application submitted on the twenty-second can be approved on the twenty-first, and with a little procrastination the check can be handed to the borrower as early as the eighteenth.

The first, tenth and twenty-fifth of the month have been omitted, for the benefit of people who find it hard to make payments promptly on those dates. Saturdays and Sundays have been dropped, in order to reduce foolish spending. Seven extra days are added to provide time to things forgotten earlier.

A new day, called General Day, has been added at the beginning of

GEN	FRI	FRI	THU	WED	TUE	MON
8	7	6	5	4	3	2
16	15	14	13	12	11	9
23	22	21	20	19	18	17
31	30	29	28	27	26	24
38	37	36	35	34	33	32

the week. This provides time for changes in plans, which can then be put into effect before they were thought of.

New materials available

If you're looking for new advertising materials that you haven't tried yet, do you know about these recent items produced by CUNA Supply Cooperative?

- "What can we do for you next?" This is an attractive little leaflet useful as an enclosure when you are mailing a member his canceled note, passbook or statement.

- "How to finance a car." Inside are listed eight reasons why credit union financing is better than other types. On the back, a little chart suggesting that the member separate out the costs of the car, the financing and the insurance.

- "What do you do when you can't pay your bills?" Practical advice for the member who is temporarily behind, the member who is way behind, and the member who is in over his head.

And have you taken a good thoughtful look at the new comic book treatment of the credit union story, "Joe had a problem"? This is in your Operation Impact kit.

Take an interest in the credit union, go to the annual meeting, help elect good officers, serve on the committees. An active credit union is a safe credit union.

What's money?

Money, like fertilizer, is no good unless it's spread around, somebody said.

Whoever it was that said it, he was undoubtedly thinking first of the good of the community. No question about it, a community where everybody hid his money under his mattress would not be a very good place to live.

On the other hand, you've got to save *some* of what you earn. You can't spread it all, no matter how much you love your community. Self-preservation demands that you put away some for yourself, to take care of you and your family in time of need.

That's one reason why it's good to save in your credit union. Your savings protect you; meanwhile your credit union spreads the money around by making loans to the mem-

bers who need them. The money keeps working all the time.

In most credit unions it's the younger members who do the borrowing and the older members who do the saving. That's natural. They help each other. The savers help the borrowers by providing money for them to borrow. The borrowers help the savers by paying interest on their loans and providing dividends on savings. We need savers and borrowers in our credit union, and we love them all.

Read the contract!

YOU can't take this too seriously—it's important to read the contract. If you sign a contract, you're committed, regardless of what some salesmen may say.

Here's a case that happened in Alabama recently.

A man named Glasgow bought an automobile. He signed a conditional sales contract with a final balloon payment. This means, the monthly payments were small until the final payment came due—that one was big.

When the final payment came up,

Glasgow couldn't make it. The sales finance company repossessed his car. Glasgow had to go to court. He told the judge, "The salesman said when the final payment was due, they'd refinance the loan. He said not to worry about it, it happens every day."

The court ruled against Glasgow. No matter what a salesman tells you, no matter what you think is the custom among auto financing companies, the contract is what counts.

Not a bank!

A credit union is not a bank. It was not set up to compete with the banks.

It was set up to make loans that banks don't make.

Banks today make many loans that they did not make in the days when credit unions first appeared.

But they still screen loans very carefully, in order to make only the loans that bring most profit at least risk.

All your credit union wants to know is—do you need it? can you repay it? If the answer is yes, you'll get it.

Awarding the prize

Door prizes at annual meetings can be educational. In fact, they can promote new memberships.

At Ogden, Utah, the Ogden Sperry Employees' Federal Credit Union, made up of General Mills flour mill workers, gave away three banks full of money. These were little cardboard savings banks like the kind that some credit unions use as promotion gimmicks.

It was President Frank W. Hart's idea to do something besides just draw names out of a hat and let the winners pick up the prizes.

He struck on a credit union quiz as the answer. Each of some eighty persons attending the annual meeting received, after dinner, a one-page mimeographed quiz with ten questions. Each question had four sug-

gested answers, and the annual meeting guests were to choose the correct answers.

The questions covered the credit union movement from Ogden, Utah, to Madison, Wisconsin, and included questions on the local credit union, the Utah State Credit Union League and the Credit Union National Association.

No time limit was set to complete the quiz, and the unwritten rules of the honor system were all that determined whether somebody could get help from his neighbor.

These were the questions:

1. Number of credit unions in the state of Utah?
2. How many loans were made by our credit union during 1957?
3. How many dollars were loaned by our credit union during 1957?
4. What is the number of credit

union members in the state of Utah?

5. Number of new credit unions organized in the state of Utah during 1957?

6. Amount of one share in our credit union?

7. Approximate amount of assets of Utah credit unions?

8. Number of credit unions in the Ogden chapter of the Utah State Credit Union League?

9. What is the responsibility of the supervisory committee?

10. Your credit union carries life insurance on your savings up to -----?

When all tests were completed, President Hart instructed the guests to pass their papers down three persons to their right. Then papers were graded as answers were read aloud.

One member answered eight of the ten questions correctly. For this she received a bank full of dimes.

In addition to the educational session, the credit union picked up six members as a result of the quiz. President Hart said that these half-dozen, all guests of members, told him that they didn't realize how big the credit union was or how big the movement in Utah was. When they heard the correct answers to the questions, they decided they must apply for membership.

Bankers

There's a fellow in Washington, D.C., who hates banks. He is the kind of guy who likes to figure out ways to make other people look bad, and here's what he did to some bankers:

"Just the other day, as an experiment, we went around to several banks to try to borrow \$1,000 to buy a piece of property adjoining our home. The bankers wouldn't even talk to us about it. Yet, as we figured it, it would be a very economic project for a man with a family to own an acre on which he could grow vegetables to feed his family.

"The bankers didn't turn us down because they didn't like us, or because credit is short, or because our credit is bad. Far from it, as we proved the next day by going to the same bankers. We were told on the second day that we could borrow up to \$4,000 to buy a new Cadillac."

Of course, the bankers may have looked at his hands and seen no callouses on them. However, this story gives credit committees something to think about.

BULLETIN COPY

Get to know your credit union!

YOU wouldn't buy a car and then not learn to use it!

It wouldn't be just the same kind of waste to join a credit union and not learn how to use it.

Do you know how to borrow from the credit union? How large a loan you can get? How small a loan you can get? All the different kinds of security the credit union will accept

on a loan? How often you can revise your payments?

Do you know how to save? Have you tried saving in your share account while you pay on your loan? Do you know how insurance helps protect you two ways while you do this? Do you know how this protects your family?

Get to know your credit union!

Breaktime

Strike One!

Tired of being a widower, terrible-tempered Farmer Brown went to town, picked out a wife, married her, turned Dobbin around, and drove homeward.

Dobbin stumbled, "That's once," said the farmer. A little later, the horse stumbled again. "That's twice," said the farmer. When Dobbin stumbled again, he said, "That's three times," pulled out a gun and shot the horse dead.

"You heartless brute," screamed

the bride, slapping him hard in the face.

He looked at her for a moment, then said, "That's once."

Real Gone

"I wouldn't worry too much if your son makes mud pies," the psychiatrist consoled the woman. "And the fact that he sometimes tries to eat them also is quite normal."

"Well, I don't think so," rasped the woman, "and his wife doesn't either."

STRENGTHEN YOUR LEGISLATIVE PROGRAM

SO CUNA PRESIDENT W. O. KNIGHT, JR., ADVISES
CREDIT UNION LEGISLATIVE CONFERENCE, MEETING
IN WASHINGTON FOR FIRST TIME.

Credit unions in the U.S. can expect more and more opposition in getting and keeping favorable legislation nationally and in the state legislatures. This was the underlying theme of advice given league leaders by most of the speakers at CUNA's legislative conference in Washington, D.C., February 7 and 8. Many speakers also warned that increasing pressure on Congress to change the tax status of credit unions could be expected.

The attitude prevailing among conferees strongly favored a stepped-up legislative program on all fronts to meet any challenge. The group requested that CUNA finance an expanded study of legislative information and establish the conference as an annual function. More than a

hundred credit union leaders representing 27 leagues attended.

An exchange of state legislative information revealed that generally: few leagues are totally satisfied with their present laws; most state laws undergo constant revision and amendment; almost all leagues feel that they enjoy good relations with supervisory authorities; attempts to secure restrictive credit union legislation have already shown a sharp upswing in many states.

Senator John J. Sparkman (Alabama) urged that greater contact be made with Congressmen from their home districts. "Credit union people should not be timid in exercising their constitutional right of petition," the Senator said, "We want to hear

from you—particularly as individuals from our own constituencies."

John Clair, counsel to the Massachusetts State Banking Department, felt that credit unions have lagged behind other organizations in achieving close understanding with supervisory authorities. "Generally, supervisory agency people do not fully understand the objectives of credit unions and tend to classify them with other financial groups simply because credit unions have not done a good enough educational job with them," he said.

All U.S. leagues will receive a detailed report of the meeting. CUNA has tentative plans for a similar session for Canadian credit union leagues.

W. O. Knight, Jr., speaking:

FUNDAMENTALLY, the credit union movement is not interested in law or politics. The credit union movement is a movement of people who believe in solving the problems of the people through voluntary methods. We have laws, but they are simply a necessary evil. We engage in politics, but only because we have to. We do not sponsor any laws that are designed to solve people's problems, although as individuals we may believe in such laws. We only sponsor laws that we find necessary as a basis for our doing the job ourselves.

Voluntary organizations have a great history in democratic countries. This history has been somewhat neglected by historians. Our his-

torians write intensively about political movements, and they write somewhat less intensively about economic developments. They may write occasionally the story of a giant corporation or a labor union. But how often do you find a historian of major rank writing the story of veterans organizations, or social welfare agencies, or citizens associations, or parent-teacher associations? Yet these are the organizations that hold our society together. They are the organizations that keep democracy alive. We all know very well that a dictator cannot afford to permit such groups to operate, because they are the very life blood of democracy. We all know very well that if our citizens

stopped taking an active part in such organizations, the government of the United States would cease overnight to be democratic. The government exists, as Abraham Lincoln said, to do things for the people that they can't do for themselves. But when they don't want to do anything for themselves, either individually or in groups, then the government becomes an all-devouring monster.

Some voluntary organizations have a strong hold on the community and on their membership. The corporation for which you work, the labor union which protects you in your job, may have considerable power over you. Our government's power is restricted in many ways by safe-

guards that have been built into the common law, into the constitution of our country, and into the procedures of the courts. If the government abuses its power over you, there are many things you can do to protect yourself. But if the company for which you work tells you to do something you don't want to do, or if your labor union announces that you must do certain things, you are subjected to a strain against which you may have no defense except to quit your job or your union at considerable sacrifice. Defenses against this kind of power are gradually being added to the law, in the form of antitrust laws, minimum wage laws, child labor laws, the Wagner Act and the Taft-Hartley Act.

Credit Unions and Volunteers

Many other voluntary organizations have no power over their members at all. The Boy Scouts have no power to compel anybody to join; neither has the Red Cross; yet these are two very important organizations that perform important roles in our country. They have to rely entirely on persuasion, and of course their persuasiveness has to be based on performance. If they do a good job, the public supports them. We have all heard criticism from time to time of both the Boy Scouts and the Red Cross, yet their goals are so obviously valuable that the public is willing to accept the fact that sometimes the Boy Scout program flops and sometimes the Red Cross does things clumsily. An organization that sincerely sets out to do a useful job will get a lot of support from the public if the public knows the story, and it will find the public is tolerant of its mistakes as long as they think the organization's heart is in the right place. We are fortunate, in the credit union movement, that we have this kind of reputation.

The churches are an especially interesting example of a voluntary organization with a great deal of power. The churches' interest in legislation is almost entirely concerned with the field of education, where there is a continuous controversy over the question of how much help church-sponsored schools can be given from tax funds, and whether prayers in public schools will destroy the constitution of the United States. Yet whenever the churches become intensely interested in some political

or social problems, whether officially or through associations of laymen, the power they exert is something to be reckoned with. The churches rarely exert economic or physical power over their members, but the sense of loyalty and obligation on which their power depends derives from one of the deepest of human experiences. Churches as they have grown in size have developed systems of law to protect their members and their clergy from abuses of power, and they have developed an elaborate governing system of boards, councils, commissions and other bodies. In fact, the Christian churches are an excellent example of how difficult it is to take an essentially simple message and build an institution to bring that message to all mankind. Throughout Christian history, men or groups of men have felt that the institution of the church was becoming too elaborate or too worldly, and they have established new monastic orders or new churches dedicated to simplicity. Fortunately for the institutionalized church, the message of God's love is simply unforgettable and exercises a corrective power from generation to generation.

The credit union movement belongs to a special group of voluntary organizations. It has one foot in economics and the other foot in the realm of morality. It touches banks at one edge and the church at the other. It has no power of compulsion over its members, and it has only two ways of creating loyalty. One of these is by service measured in dollars and cents. The other is its ability to express the idea of human brotherhood both in practice and in its educational program. The parallel between the growth of the Christian church and the growth of the credit union movement is worth pointing out. Both started as small things, both have grown to great size, and both have run the risk of losing their essential character through sheer size and the development of an inevitable bureaucracy. Yet so far their essential character has been preserved. It is well to remember that the credit union movement is not young and new and small—it is big now, and fairly old as our economic institutions go. It has gone through a number of tests. It has stood the test of depression, the test of war, the test of internal political struggles, the test of size, the test of opposition.

None of these tests have hurt very much; and as for the test of size, all of us can see that our big credit unions have on the average just as much of the true credit union philosophy as our small ones.

Credit Unions and Cooperatives

The question how legislation affects the program of the credit union movement can be approached in many ways. But probably the most important question is, what is the program of the credit union movement? This is a question that is being debated rather hotly at the



"Laws are a necessary evil," said CUNA President W. O. Knight Jr. at the legislative conference in Washington.

present time. There are some people who believe that there is a conspiracy afoot to turn the credit union movement into a financial arm of the cooperative movement, or at least they say they believe it. There are some who believe that the credit union movement is in danger of becoming a puppet dangling on strings held by an insurance company. These ideas have some of the quality of a nightmare. We can take more seriously the fear of some people that the credit union movement is becoming highly commercialized—this is a ra-

tional fear, and something we must all think about. We can also take seriously the fear that the credit union movement will gradually lose its meaning and its value, as the aggressiveness of commercial lenders gradually leaves us behind.

I know from my personal experience and contacts that the nightmare of cooperative domination of the credit union movement is just a nightmare. Nobody on the executive committee of the Credit Union National Association is an active member of any cooperative, and there are few people in the credit union movement who wish any closer association between credit unions and cooperatives. On the other hand, there is nothing illegal or immoral about cooperatives, and the idea that we should not even associate with cooperative groups in the legislative battles in which we have much in common seems to me ridiculous. If there is any non-profit co-op group that has strong political influence in Washington, it is the REA co-op group. Most members of Congress have a clear idea of how much the rural electric co-ops have benefited the farmers of America, and these co-ops have done a great deal to protect other cooperative and mutual organizations from unjust taxation. We cannot, however, become close allies of any group, whether labor, co-op, employer or what you will; our program has its natural limits within which we can do a great deal but outside of which we will only dissipate our strength and make unnecessary enemies. It is basic to our legislative program that we work only for credit union objectives.

Credit Unions and Insurance Companies

The fear that an insurance company may dominate our movement is nothing new. When CUNA Mutual Insurance Society was first organized, there was much discussion of whether CUNA Mutual should be a mutual insurance company or a stock company owned by the national association. It was generally recognized by our leaders, including Filene, Bergengren and Doig, that a mutual insurance company's proxy machinery is highly vulnerable. The sentiment was very strong in favor of organizing a stock company, but the decisive factor turned out to be capital. The leaders did not need to find

much capital to organize a mutual company, so they organized a mutual company. However, as late as 1941, they were still discussing the problem, and the board of directors of CUNA Mutual voted at that time to cooperate with the national board of CUNA to convert CUNA Mutual into a stock company. But the issue was bigger than simply the question of who was to control whom—the issue spread out and spreads out today into the whole area of financial support.

We are not here, however, to discuss our internal political problems. The question of how the credit union program is to be financed runs into all sorts of detours and by-ways. Many leagues, for example, consider at one time or another the possibility of making income from some insurance program, or commissions on the sale of some service, or some other method of avoiding a uniform dues schedule. Perhaps most leagues have resorted to such devices at one time or another, just as did the national association. It is possible to do these things and come out with your philosophy intact, but I suggest to you that it is very difficult to know just when you have sold your soul. When you find out, it may be too late.

Many mutual and cooperative organizations have gone through this struggle and emerged completely commercialized. We cannot deride the accomplishments of the mutual insurance companies and the savings and loan associations of our country; they have performed many services. But they have lost something that we value—control by the members. We would like to perform a great public service without losing our democratic features. We think it is possible. We are over a hundred years old, almost as old as the savings and loan associations, and we still have our democratic character, thanks to the common bond that limits our size and our geographical spread. If the law did not forbid us to deal with the general public, I don't know what would happen to our democratic control, but I suspect that credit unions would soon become staff-controlled, just like the savings and loans and mutual insurance companies.

Credit Unions and Growth

The big problem we have is this: we were once small amateurs in a field where there were few other organizations active. Now we are big-

ger, but we are operating in a field in which many other organizations are highly active. We do not want to become commercial; on the other hand, we do not want to turn our members over to commercial lenders. We don't want to fight with the commercial lenders; on the other hand, if they force a fight on us, as they sometimes do, we don't want to knuckle under. We are perfectly willing for the commercial lenders to go on according to their well-established methods, and we want to go on according to ours. We think the world is big enough for all of us. At the same time, we think the history of the credit union movement shows that we have something valuable to the world in our combination of moral and economic principles, and we do not intend to let anybody force us into purely commercial standards of operation, or into ineffective obscurity. We will develop all the professional skill and all the political skill we need to protect us from such a fate. We will keep in mind at all times, however, that the professional and political standards of business are not our standards—we are interested only in service for our members.

The word professional has been kicked around a good deal lately in the credit union movement, and it is worth while discussing what it means. To me it is simply a sign that the credit union movement has recognized that it is at a different stage in its growth. The time has come when in order to hold its own against the pressure of commercial pressure and opposition that we need professional skill in the fields of education, publications, law, public relations and certain other areas. These areas are technical areas, not the area of policy-making. It is well to keep in mind that the executive committee of CUNA consists largely of volunteer credit union officers. There are only two full-time credit union employees in that group. These are the men who meet every three months to decide policy questions as representatives of the grass roots. I do not see how you could have a healthier set-up than this: volunteers outlining policy and professionals carrying it out.

Credit Unions and Professionals

There is a kind of protection against professionals capturing the national association that did not exist twenty years ago. Relatively speak-

ing, the state and provincial leagues are growing stronger than the national association. There was a time when the national association was the stronger organization almost anywhere you went, but today the leagues are usually better known. In many areas today, most of the service credit unions get comes from the leagues. Obviously, this is wholesome. The closer to home responsibility can be placed, the better it can be controlled. The development of strong leagues is vital, also, for the legislative protection of state-chartered credit unions.

So the trend today in our national program is for CUNA to become an organization that serves the leagues. It backs them up with the services they cannot develop themselves. It provides public relations service on a national scale. It offers specialized educational training programs. It extends credit union organization to other countries in distant parts of the world. It furnishes advertising and publications. It represents the credit union movement in Washington. It provides a bonding program and will shortly set up an economics research program. Many basic services that it used to provide are being provided today by the leagues, and in some areas the leagues and CUNA can now pioneer together—for example, in stabilization funds and collection services.

Beauty in Local Control

But the main job of the credit union movement is always done by the individual credit unions. This is the job of handling the savings and credit needs of the members. There is no better way to do it; the beauty of the credit union movement is that it is all so local. The members are closely knit, it's their money that is loaned, it's their votes that control. The further you get away from this local quality, the worse your credit union gets. Use government money, for example, as loan capital and the sense of responsibility quickly peters out. Try to regionalize your credit union, and the grass roots control disappears. Things like this have been tried in other countries, especially in India, only to lead to frustration and disappointment.

We are similar, in a way, to the labor movement. The main job of the labor movement is collective bargaining, and this is carried on mostly locally. The international unions pro-

vide professional specialists to back up the local people in special problems, and the AFL-CIO is a service organization that backs up the international unions. There are differences, of course, but it is interesting to see that the structure of the credit union movement is not unique or even unusual. The comparison could be made even more striking, for there are many people who find that their participation in a movement of this kind gives meaning to their lives, who will make tremendous sacrifices for it, who feel that they are making a contribution to something really important, who are inspired by the history of the movement—this is true whether you are speaking of the labor movement or the credit union movement.

Growth Without Attack

But we have arrived at a size comparable to the size of the great labor organizations without going through anything like the attack that they have had to face. In the main, they have had the opposition of employers, and we have had the good will of employers. If we have made anybody mad at us, it was a small group—a few loan sharks, a few of the more selfish bankers. Most of the attacks on us are reasonable rather than vicious; they are based on a germ of truth, pointed to weaknesses in our operations of which we are well aware and on which we are working hard at the present time. Possibly, however, we have one weakness on which we are not working hard enough—I mean the fact that so many credit unions are dependent on the good will of employers for space and other services. I say this not because I think this good will is in jeopardy—I don't think it is in most cases. But I think the very dependence on an employer tends to make the credit union officers more timid than they need to be. There is sometimes a tendency to be frightened of the tiniest kind of controversy or threat; and when you think of the battles the labor movement has come through, the problems we have to face are small indeed.

We have also avoided some of the mistakes the labor union movement has made in the area of legislation. The labor movement has committed itself on many legislative matters not of direct interest to the labor unions themselves, and it has tried from

time to time to swing the votes of its members on these issues. It is not important to argue now whether the labor movement was right or wrong in the positions it took—what matters is the fact that its members often thought either that the labor leaders were wrong or that they were getting involved in things that were none of their business. Then, too, as the labor unions grew large and powerful, the labor leaders themselves began to be watched with some distrust by their members, the same distrust that the average man feels toward any big shot. Consequently, the labor movement found out that it couldn't mobilize votes as easily as it would like. It found, actually, that labor union members don't just think of themselves as labor union members, but as people with many interests in life that are not easily classified and not fundamentally political.

Credit Unions and Legislative Strength

We have seldom tried to mobilize credit union members as a voting bloc. Hence there is a very good chance that if we ever have to rally our members on a legislative issue, they will listen to us. We cannot kid ourselves that our members think of their interest as credit union members ahead of all other interests, but we do not have to humble ourselves in the dust either: we know there are plenty of them who are enthusiastic and loyal. And even without rallying the members, our 300,000 credit union officers offer a formidable legislative potential.

Nationally, it does not seem to me we have any serious problems. The federal credit union act could be liberalized to advantage, but our experience with the Senate last year and the House so far this year indicates that we should not have much trouble doing this. Congress in the main is friendly to us. Perhaps we have been too timid in the past in asking for improvements in the law. At any rate, it looks this year as if we may succeed in getting a number of improvements in the federal act: a higher limit on unsecured loans, authorization for the appointment of loan officers, better borrowing privileges for officers, better participation for federal credit unions in central credit unions. At the same time, we will probably be successful in defeating a proposal to give the director of



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GET THE JOB DONE FASTER...
WITH THESE **posting trays**

PORTA-MATIC POSTING TRAY

Bookkeepers like this portable posting tray because it's so easy to use. It opens and closes with a flip of the handle, stores overnight in a vault or most letter files—or under its own locked hood (extra). Ledger cards are always ready for instant reference. Porta-Matic Trays come in lengths and widths for every posting operation. The trays have a drop side, so posting information and ledger cards can be offset as desired. Rubber runners protect your desk top. Metallic gray finish.

COMPLETE POSTING UNITS

Your trays combine with accessories to make complete posting units. Tray hood with lock (as shown) converts each tray into a storage cabinet. Rollaway stands hold one or two trays, and come in a choice of three styles: open style (shown), lock-cabinet style, and file-drawer style.



NORFIELD POSTING TRAY

This rugged lightweight posting tray is a tested performer in credit union offices. It provides quick adjustments for both width and capacity—plus drop-rail provision for offsetting cards on both sides. Easily portable, with cupped carrying handles on the end plates which automatically close the tray to prevent spilling of the contents. Gray crinkle enamel finish, chrome-plated handle and fittings.

COMPLETE POSTING UNITS

Tray stands are available (as shown) to hold one or two trays. Stand is finished gray and chrome to match tray, with choice of studs or casters.

USE POSTING TRAYS WITH THESE LEDGER CARDS . . .

BASIC FORMS

- | | |
|---|-----------------------------|
| 103-G Share and Loan, used and filed with 107-G Statement | 103-BX Shares (index) |
| 103-A Share and Loan (paper) | 103-C Loans (paper) |
| 103-AX Share and Loan (index) | 103-CX Loans (index) |
| 103-B Shares (paper) | 30 Share and Deposit |
| | 31 Loans |
| | 32 Share, Deposit, and Loan |

CUNAPOST FORMS

- 1530 Share and Loan
1631 Quarterly Statement

MACHINE FORMS

Ledger cards and statement forms used with Underwood, Burroughs, and NCR bookkeeping machines.

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LITERATURE AND PRICES

CUNA SUPPLY COOPERATIVE
BOX 333, MADISON, WIS. • BOX 800, HAMILTON, ONT.



League officials like Illinois managing director William Brietzke told of their problems with state credit union laws. Some common grounds for action were found.

the Bureau new power in restricting loan limits.

The problem in the states, however, is something else. We all know what variations there are in the quality of legislatures, and we know how autocratic state bureaus and departments may be. Some leagues may feel strong when facing up to a state legislative problem, but certainly most leagues must feel uncertain and apprehensive. I think this meeting needs to explore methods by which we may help each other in these local legislative struggles. Some of us may be strong enough to go it alone, but most of us are not. We need to reach an agreement on the substance of a model credit union act. We need to outline a program for building up public opinion in favor of our credit union legislation. We need to create prestige for the spokesmen of the credit union movement.

We have two legislative programs—the constructive and the defensive. In most areas we have reasonably satisfactory laws now: all we want is slightly better loan limits, the right to charge for cashing checks, a few improvements in detail. On the defensive side, we have to protect ourselves against too much discretionary authority given to supervisory agencies, and against measures meant to bring credit union operations closer in line with commercial standards. These are easy to recognize; but I suggest that since it seems likely that such legislation may come up a little oftener in the years ahead than it has in the past, some sort of liaison and legislative conference program might help the smaller leagues combat future attacks more effectively.

Credit Unions and Unity

In order to achieve this unity of

action, I think it would be well if we could recognize that after all we do have a program on which we all pretty much agree. It helps in any legislative program if you can go as a group to your legislature and speak with a united voice. I do believe that the differences that exist in the credit union movement today are big only when two men are running against each other for office; at other times, they are astonishingly small. The credit union movement, fortunately for all of us, is really a solid and like-minded group of people.

Perhaps, sometimes, the tasks ahead look impossible. The right motives can change this. I think generally speaking, the motive of credit union people is idealistic. If our motives are good we might do the impossible. Let's work together, shall we, and do the impossible!!



A successful credit union manager works here

No more late statements with a Burroughs Sensimatic in the picture! This fast, economical accounting machine gets work out on time *all the time*—handles all accounting jobs with the accuracy and thoroughness so necessary for successful management of any credit union.

And it's all so simple! There's one bar for share entries, one for loan entries. Each one activates a control panel which automatically guides the machine through *every* operation.

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NEWS

(Continued from page 8)

Led by the appointment of thirteen field representatives by the Ontario Credit Union League, **new appointments** have been announced recently throughout the credit union movement.

A partial list of new assignments follows:

George J. Tinnes—director of field services, Illinois Credit Union League.

Wayne H. Mahanna—managing director, New Mexico Credit Union League.

William J. Auerweck—field representative, Kentucky Credit Union League.

George E. Currie—field representative, Ontario Credit Union League.

J. F. Downing—field representative, Ontario Credit Union League.

A. A. Holme—field representative, Ontario Credit Union League.

Vernon F. Johnson—field representative, Ontario Credit Union League.

J. M. Homer—field representative, Ontario Credit Union League.

Edward Dean Bayne—field representative, Ontario Credit Union League.

H. Shiga—field representative, Ontario Credit Union League.

Rudolf Cujes—field representative, Ontario Credit Union League.

Raymond Milton Hyde—field representative, Ontario Credit Union League.

Herbert Douglas Ritchie—field representative, Ontario Credit Union League.

E. J. Rooney—field representative, Ontario Credit Union League.

N. Alexander—field representative, Ontario Credit Union League.

C. Croswell—field representative, Ontario Credit Union League.

Elmer Cinnater — special services representative, California Credit Union League.

Robert G. Wells—field representative, California Credit Union League.

John A. Stevens — special services representative, California Credit Union League.

Bruce Wilford—field representative, California Credit Union League.

Leo B. Doiron—managing director, Prince Edward Island Credit Union League.

Wilfred F. Broxterman—organization specialist, CUNA Organization Department.

Carlos M. Matos—assistant director, CUNA World Extension Department.

Percy Avram—organization specialist, CUNA Organization Department.

John S. Lary—director of personnel and office manager, CUNA.

Robert M. Rodreick—assistant director, CUNA Education Department.

Leo J. Corcoran—loss prevention specialist, CUNA Insurance Services Department.

Michael T. Liucci—loss prevention specialist, CUNA Insurance Services Department.

Hollis Barnett—field representative, Virginia Credit Union League.



How to build a full-membership, full-service credit union, using the tools provided by

OPERATION IMPACT

STEP 6 | How fast are you growing?

Don't guess at your rate of growth! Measure it! Publicize your records on members, loans, shares, and income. That's your key to the amount of service you're providing—measured in dollars and cents.

Give your members the *whole* picture. Tell them where the credit union stands this month compared with last month and last year. You'll stimulate interest—get more members to use more services.

Tell your success story in mailings, in passbook stuffers; on posters and wall charts—every way you can. Prove that the time and money you spend on developing your credit union produce results.

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CREDIT UNION CAREER PEOPLE:

Enroll Now in the CUNA Summer School for Credit Union Personnel

**AT THE UNIVERSITY
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**... a two-week
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(JULY 13-26)

*to help you learn
more about your job*



For the fifth year, 150 credit union career employees will gather on the Wisconsin campus July 13-26 to study the underlying philosophy, problems and procedures of credit union work.

Introductory, intermediate and advanced courses are spread over a three-year sequence. Last year the second class completed three years of summer school studies, and these graduates are already moving into leadership positions in the credit union movement.

You can start the summer school sequence this year for \$145 which covers tuition, room and board on the campus, and campus privileges.

Some scholarship funds are available. Inquiries

should be addressed to the Director of Education.

An outstanding faculty has been assembled to work with you in broad areas such as management, communications, human relations, operations, economics, psychology and sociology. You will have opportunity to learn in a wide variety of formal and informal groupings.

A daily recreational program will insure you adequate time to enjoy the beautiful setting in which the University of Wisconsin is located.

Enroll now and build up your credit union know-how!

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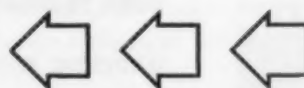
Please send me details about the 1958 CUNA summer school.

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CREDIT UNION

ADDRESS

**SEND THIS COUPON TODAY
TO OBTAIN COMPLETE
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WHAT ABOUT IT?

Pledged Shares

We should like to know how you feel about a credit union member withdrawing all or part of the share balance on which his loan was based. For instance, a man borrows \$900—\$500 on his signature plus an extra \$400 because of his having \$400 in shares. Then he subsequently withdraws the \$400 share balance. We are constantly faced with this problem and wonder about the correct way to handle it.—

L. D. Breeden, Niagara Falls, New York.

ANSWER:

Such withdrawals are not permitted without the written approval of the credit committee.

This restriction is to be found in the latter portion of Article III, Section 5, of the federal credit union bylaws—"No member may withdraw

any shareholdings below the total amount of his liability to the credit union as borrower, endorser, co-maker or guarantor without the written approval of the credit committee."

Of course the member may offer some other form of security, and if this is accepted by the credit committee, he is then free to withdraw his shares.

If this has been a problem in your credit union, perhaps you should spend a little more time with borrowers explaining what it means to sign a pledge of shares. The principle is easy for members to understand.

CUNA Mutual Voting

How many votes may the policyowner of six CUNA Mutual policies cast at any area meeting?

ANSWER:

One. Each policyholder of CUNA Mutual Insurance Society is allowed to cast one ballot regardless of the number of policies which he has been issued.

Stabilization funds grow

There are nineteen state and provincial credit union leagues that now have some sort of stabilization fund or insurance plan to help credit unions during liquidation, it was announced during the CUNA quarterly meetings in February.

IN THE MAIL

Plenty at \$40?

To the Editor:

The January article on housing costs and how to figure them was excellent, a real help to credit union treasurers.

But where did the writer get the idea that "supply has started catching up with demand?" We need at least two million new units a year, and this year are building less than one million.

Possibly the writer meant that supply has priced itself beyond demand, which I think is correct. I think the article is incorrect also in the statement that plenty of rental property is available below \$40 a month. Over the years I have had a chance to observe the housing problem in Racine and Milwaukee, Wis., Chicago, Washington and the Twin Cities, and it seems to me that if anything it is getting worse.

Certainly in our towns any prop-

The Credit Union Bridge

PROTECTION POINTERS

6

suggestions for reducing exposure to burglary and robbery

- Take special precautions when handling large amounts of money.
- Don't let officers or employees carry money around any longer than absolutely necessary. Alert them to security measures.
- Use a good safe—and anchor it, if possible. Lock things up before you leave. Avoid keeping large amounts of money overnight.
- Restrictively endorse or stamp all checks "for deposit only" as soon as they are received.
- Vary your messenger service. Change the time and the route frequently. Consider the use of armored car service.
- Consult your law enforcement agency for advice on local situations.

Your credit union can be protected for 100 percent of its assets up to one million dollars against losses occurring after it's covered by the 100% (\$1,000,000 maximum coverage) Form No. 576 Blanket Bond. In addition to protecting against burglary and theft, this bond provides coverage against dishonest acts of officers and employees as defined • forgery and alteration • misplacement and mysterious disappearance • fire damage to money and securities only • vandalism and malicious mischief. It may also provide faithful performance of duty coverage (required in Federal credit unions).

This coverage is written assuming that the credit union will use good judgment and exercise reasonable precautions in order to safeguard funds.

The 100 Percent Blanket Bond No. 576 is written by EMPLOYERS MUTUALS OF WAUSAU



Write for complete details on the 100% (\$1,000,000 maximum coverage) Form No. 576 Blanket Bond.

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- 1 3 complete automatic records of each check for your protection. Copies and carbon snap out as desired.
- 2 tamper-proof tint background with overall credit union design, credit union motto, and "little man" symbol.
- 3 personalized with the names of your credit union and its designated bank.
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Compare the tailored safety features of this credit union voucher check



account payable check

A tamper-proof safety check with the same credit union design in the tinted background, imprinted with the names of your credit union and its bank, "little man" symbol and credit union motto. Standard formats available with credit union account numbers and your choice of 2 stub styles.



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Tailor-made passbooks for NCR or Burroughs machines in any standard machine size. Printed front, back and inside according to your copy specifications. Durable vellum cloth cover in your choice of colors. Inside pages 28# ledger, white or buff colors.



money order

A custom money order providing credit unions with a safe and convenient remittance method (where regulations permit use). Attached receipt is positive proof of payment, imprinted remitter's name assures proper crediting. Acceptable anywhere. A revenue producing item.

This voucher check is especially designed to comply with the internal control systems developed by credit unions. It provides three complete, itemized records of payment with one writing, including two detachable carbon copies with the same serial number for journal and ledger postings. It is widely accepted as a valuable aid to credit union security programs.

Nearly 2,000 credit unions are now using our quality, union-made checks and machine pass-books.

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erty renting for \$40 or less has an abundance of takers even if they can't stand it to live there—they have to live somewhere.

Fredrick S. Gram
St. Paul, Minn.

No car loans!

To the Editor:

The story of "Don Miles, Credit Union Member" is the story of a man whose credit union has failed him worst when he needed it most—an appalling tale of hair-curling proportions. He *must* learn how to save!

The first educational job of the credit union should be to get its members to stop borrowing from the small-loan outfits and loan sharks, and to save money by borrowing from the credit union.

But the more important job of the credit union, once it has done this, is to convince its members to stop using credit union credit for routine living expenditures, and to start planning in advance, to *save their money*. Loans for emergencies? Yes. For automobiles and dishwashers? Never!

Until credit unions generally lay great emphasis upon this approach, they will fail to be more than cut-rate small-loan outfits—saving their borrower-members some interest, to be sure, but failing them in their greater needs.

C. H. Lushbough
Chicago

For job seekers

To the Editor:

I have a suggestion to offer.

I have noted that at various times, there is passing mention made of the need to develop the opportunities available for those of us who want to stay in the business full time. Also, in each issue, there is mention made of an occasional job or two available in various parts of the country.

Here is my suggestion, therefore. An article should appear in The Credit Union Bridge, encouraging individual credit unions, leagues, and the various state and federal supervisory authorities to make known their personnel requirements to your office.

Additionally, individuals in search of credit union employment should also be encouraged to do the same.

In each subsequent issue of the magazine, an announcement should be made to the effect that a separate listing of both jobs and individuals seeking employment is available upon request, perhaps for a nominal fee. In this manner, individuals wanting jobs could receive this listing monthly, as could credit unions seeking personnel, and a fine service to both will probably be achieved in many instances.

Lawrence H. Cadulli
Roselle, N. J.

Comment: The classified columns of the Bridge (page 32) are open to all credit union members who are looking for work in the credit union movement, also to all credit unions looking for employees. There is no charge for this service. The Bridge reserves the right to edit advertisements down to minimum length, and urges applicants and advertisers to investigate each other carefully, as The Bridge does not screen these advertisements.

COMING EVENTS

April 10-12—**Oklahoma** Credit Union League annual meeting, Tulsa Hotel, Tulsa.

April 11-12—**Credit Union League of Alberta** annual meeting, Canadian Legion Memorial Hall, Lethbridge.

April 11-12—**District of Columbia** Credit Union League annual meeting, Hotel Statler, Washington.

April 11-12—**Illinois** Credit Union League annual meeting, Sherman Hotel, Chicago.

April 11-12—**Iowa** Credit Union League annual meeting, Savery Hotel, Des Moines.

April 11-12—**Oregon** Credit Union League annual meeting, Multnomah Hotel, Portland.

April 11-12—**Virginia** Credit Union League annual meeting, Hotel John Marshall, Richmond.

April 12—**New Hampshire** Credit Union League annual meeting, Angelo's Restaurant, Concord.

April 18-19—**Colorado** Credit Union League annual meeting, Shirley-Savoy Hotel, Denver.

April 18-19—**Massachusetts** CUNA Association annual meeting, Hotel Somerset, Boston.

April 18-19—**Tennessee** Credit Union League annual meeting, Hotel Patten, Chattanooga.

April 18-19—**West Virginia** Credit Union League annual meeting, Stonewall Jackson Hotel, Clarksburg.

April 18-20—**New Jersey** Credit Union League annual convention.

April 19—**Vermont** Credit Union League annual meeting, Pavilion Hotel, Montpelier.

April 24-27—**Ohio** Credit Union League annual meeting, Deahler Hilton, Neil House and Columbus Memorial Hall, Columbus.

April 25-26—**Alabama** Credit Union League annual meeting, Mobile.

April 25-26—**Michigan** Credit Union League annual meeting, Civic Auditorium, Grand Rapids.

April 25-26—**Minnesota** League of Credit Unions annual meeting, Duluth Hotel, Duluth.

April 25-26—**Nebraska** Credit Union League annual meeting, Lincoln Hotel, Lincoln.

April 25-26—**North Carolina** Credit Union League annual meeting, Robert E. Lee Hotel, Winston-Salem.

April 25-26—**Pennsylvania** Credit Union League annual meeting, Penn Harris Hotel, Harrisburg.

April 25-27—**Hawaii** Credit Union League annual meeting, Hawaiian Village Hotel, Honolulu.

April 25-27—**Kansas** Credit Union League annual meeting, Broadview Hotel, Wichita.

April 25-27—**Louisiana** Credit Union League annual meeting, Monteleone Hotel, New Orleans.

May 5-11—**CUNA and affiliates'** annual meetings, Loraine Hotel, Madison, Wisconsin.

May 7-9:00 a.m., **Joint Meeting**, CUNA Executive Committee, CUNA Mutual Board of Directors, CUNA Supply Cooperative Board of Directors; 2:00 p.m., **CUNA Supply Board of Directors**.

May 8-9:00 a.m., **CUNA Executive Committee**; 3:00 p.m., **CUNA Supply Membership Meeting**; followed by: **New CUNA Supply Board of Directors**.

May 9-8:00 a.m., **CUNA Mutual Board of Directors**; 10:00 to 4:00 p.m., **CUNA Mutual Biennial General Election**; followed by: **New CUNA Mutual Board of Directors**.

May 10-9:00 a.m., **CUNA National Board Meeting**.

May 11-9:00 a.m., **CUNA National Board Meeting**; followed by: **New CUNA Executive Committee**; followed by: **New Joint Board Meeting**.

May 23-25—**South Dakota** Credit Union League annual meeting, Lawler Hotel, Mitchell.

June 12-16—**New York State** Credit Union League annual meeting, Laurels Country Club, Monticello, New York.

June 20-21—**Washington** Credit Union League annual meeting, Davenport Hotel, Spokane.

June 21-22—**Montana** Credit Union League annual meeting, Rainbow Hotel, Great Falls.

June 23-25—**Nova Scotia** Credit Union League annual meeting, Sydney.

June 26-28—**British Columbia** Credit Union League annual meeting, Sirocco Club, Victoria.

September 17-19—**Florida** Credit Union League annual meeting, George Washington Hotel, West Palm Beach.

April 18-19—**Idaho** Credit Union League annual meeting, Caldwell.

July 9—**Prince Edward Island** Credit Union League annual meeting.

CLASSIFIED

POSITION WANTED. Experienced manager and assistant treasurer of a federal credit union seeks credit union work. Immediately available. Can move to any locality. Write Box A-44.

FIELDMAN WANTED. Minnesota League seeks experienced credit union worker to serve as field representative. Salary open. Write Fred A. Stahl, manager, Minnesota League of Credit Unions, 575 University Avenue, St. Paul 3, Minnesota.

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Underwood Sundstrand Master-Touch credit union machine.

Master-Touch speeds credit union accounting with the world's simplest number-printing keyboard!

Just 10 keys handle all figure entries with Underwood Sundstrand *Master-Touch*. This gives operators easy *touch* control. Because there's no need to watch the keyboard, there's no head swing, no eye strain to cut efficiency. It's a wonderfully fast, accurate posting method.

There are more time-saving features, including:

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ures posting of accurate balances and posting to the right accounts.

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Bill Williams TREASURER and GENERAL MANAGER

"Recently our new credit union office building was dedicated. Since our organization in 1941, we have saved enough for this new building and have always charged only 1% per month on our loans. At present we pay 4% on share accounts.

Our real helper has been CUNA MUTUAL INSURANCE SOCIETY. We have loaned out over \$12,000,000 since 1941 and every loan was covered by CUNA MUTUAL'S LOAN PROTECTION insurance—to protect our members.

One of the best services we can offer our members is CUNA MUTUAL'S LIFE SAVINGS insurance, providing life insurance based on our members' savings.

Yes, CUNA MUTUAL has helped us serve our members well, and has helped make the dedication of our new building possible."

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